SUMITOMO CHEMICAL

SUSTAINABILITY REPORT 2024

Contents

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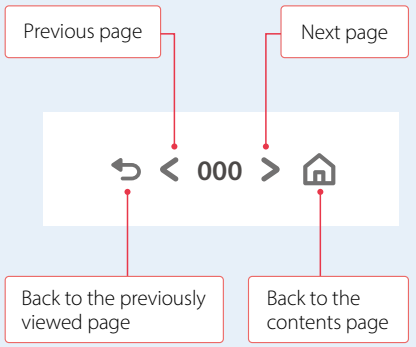

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Editorial Policy

Historically, Sumitomo Chemical has published the Sustainability Data Book as a tool to complement its Annual Report and comprehensively present sustainability information. With this latest publication, we have newly changed the name to the Sustainability Report to more accurately describe its function and to achieve stronger synergy between the Sumitomo Chemical's three reports while further enhancing their content. Additionally, to ensure the reliability and transparency of this report, regarding quantitative information, assurance is provided on the indicators labeled with a star ★ by KPMG AZSA Sustainability Co., Ltd. (Regarding other disclosed information, please refer to the "Calculation Standards for Environmental and Social Data Indicators," wherein a summary of data collection and calculation methods is presented.)

Sumitomo Chemical hopes that this report can act as a tool for communication with all its stakeholders that enriches their understanding of the Company and its Group companies.

P.197 Calculation Standards for Environmental and Social Data Indicators

Guide to the Website

Investor Relations

- ☐ Financial Results
- ☐ Consolidated Financial Statements
- ☐ Meeting of Shareholders Documents
- ☐ IR Events (presentation, materials used at briefing sessions)
- ☐ Fact Sheet

Sustainability

Guide to Our Social Media

Official LinkedIn Account

Corporate YouTube Channel

Sumitomo Chemical's Three Reports

Annual Report

This integrated report summarizes our business strengths, strategies, issues, and performance with the aim of conveying our company's value creation to a wide range of stakeholders, including our shareholders and investors, in a way that is easy to understand.

Investors' Handbook

This handbook provides information regarding the market trends of our wide range of businesses and products, and explains them in detail.

Sustainability Report

This data book contains comprehensive information about our sustainability from the perspectives of the environment, society, and corporate governance.

Boundary of This Report:

Sumitomo Chemical Co., Ltd. and its consolidated subsidiaries

In this report, "Sumitomo Chemical" and "Sumitomo Chemical Group" are distinguished as follows.

Sumitomo Chemical: Sumitomo Chemical Co., Ltd.

Sumitomo Chemical Group: Sumitomo Chemical and Group companies

Additionally, any differences in the scope of aggregation are clearly noted on the respective pages.

Period covered by this report:

Group Companies in Japan:
April 1, 2023 – March 31, 2024 (FY2023)
(with specific exceptions outside this time frame)

Overseas Group Companies:
January 1, 2023 – December 31, 2023

Date of publication:

October 2024 (The previous issue was published in October 2023. The next issue is scheduled for publication in October 2025)

Frequency of publication: Once annually

Guidelines referred to when preparing this report:

- The GRI Standards

P.200 GRI Standards Reference Table

- The Japanese Ministry of the Environment's "Environmental Reporting Guidelines" (2018 edition) and "Environmental Accounting Guidelines" (2005 edition)
- The ISO 26000 international standard on Social Responsibility (SR)
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

P.222 TCFD Index

Introduction to the Sumitomo Chemical Group

Corporate Profile

(As of March 31, 2024)

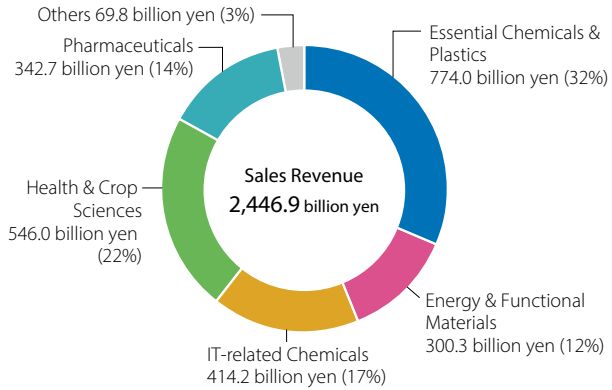
Company Name:	SUMITOMO CHEMICAL COMPANY, LIMITED
Incorporated:	June 1,1925
Head Office:	Tokyo Nihombashi Tower, 2-7-1, Nihonbashi, Chuo-ku, Tokyo 103-6020, Japan
Management:	Representative Director & President: Keiichi Iwata
Capital:	89,938 million yen
Number of Employees:	Non-consolidated: 6,706 Consolidated: 32,161
Number of Subsidiaries and Affiliates:	184

Tokyo Head Office

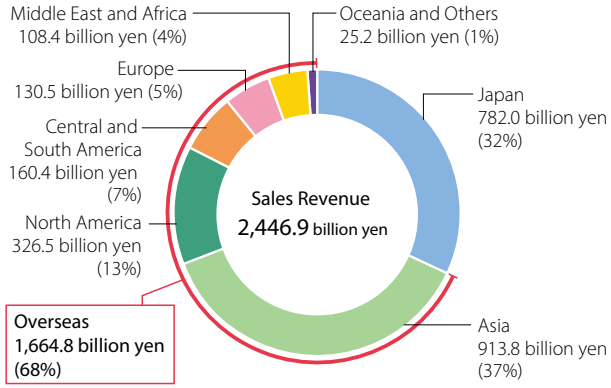
Financial Highlights

(For Fiscal 2024, Based on the International Financial Reporting Standards (IFRS))

FY2023 Sales Revenue and Composition Ratio by Business Segment



FY2023 Sales Revenue and Composition Ratio by Region



Corporate Profile
https://www.sumitomo-chem.co.jp/english/company/about/

Investors' Handbook
https://www.sumitomo-chem.co.jp/english/ir/library/investors_handbook/

Chart Generator
https://www.sumitomo-chem.co.jp/english/ir/finance/highlights/

President's Message

To Transform into an "Innovative Solution Provider."

Key Word

- Long-term Goal "Innovative Solution Provider."
- Solves societal issues through innovative technologies in four areas: "Food," "ICT," "Healthcare," and "Environment."
- The key point of business sectors reorganization is to focus on areas that can contribute to solving societal issues.
- Envision continuously creating innovative solutions by leveraging our three key assets—GX, DX, and BX.
- Adapting to the changing times through a shift in mindset.
- Face change head-on without fear and envision necessary actions quickly and execute them steadily.

Regarding President's Message, please refer to the Annual Report 2024.

https://www.sumitomo-chem.co.jp/english/ir/library/annual_report/files/docs/scr2024e#page=7.pdf

岩田圭一

Keiichi Iwata
Representative Director & President

Sumitomo Chemical's Corporate Philosophy

Sumitomo Chemical's business began when gasses from the copper smelting process of the Besshi Copper Mine caused a pollution problem, and there was an urgent need for a solution. Sumitomo Chemical was founded to resolve this problem, which it did by extracting sulfur (sulfur dioxide gas) from copper ore to use as the raw material for sulfuric acid and fertilizer manufacturing in an effort to overcome an environmental problem while also improving agricultural productivity. This philosophy of resolving problems facing society through its business is in the DNA of the Sumitomo Chemical Group.

Sumitomo Chemical's Corporate Philosophy is based on Sumitomo's Business Principles and is composed of the Business Philosophy, which integrates the company's business principles, mission and values; Basic Principles for Promoting Sustainability, which integrates its concepts regarding and commitment to sustainability promotion; and the Sumitomo Chemical Charter for Business Conduct, which lays out the code of behavior serving as the basis for the Company's compliance system.

■ The Framework of Sumitomo Chemical's Corporate Philosophy

Corporate Philosophy
https://www.sumitomo-chem.co.jp/english/company/principles/

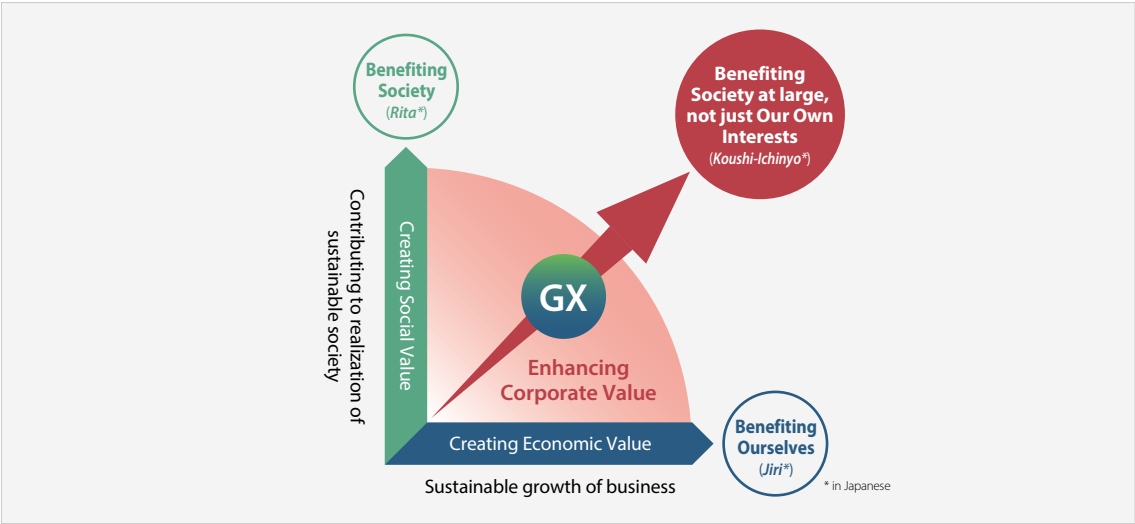
What Sumitomo Chemical Group Strives to Be

The Basic Principles for Promoting Sustainability defines the promotion of sustainability as contributing to the realization of a sustainable society through our business and achieving sustainable growth for the Group, thereby aiming to enhance the Group's corporate value. We will continue to pursue our principle of "*Jiri-Rita Koushi-Ichinyo*," creating both economic and social value and increasing our corporate value along the two axes of *Jiri and Rita*—with the *Jiri* axis for economic value and the *Rita* axis for social value.

In recent years, awareness of sustainability has been rising around the world, focusing not only climate change but also ecosystem conservation and healthy lives. The Company has broadly defined this as green transformation (GX) and considers it an opportunity to transform itself and contribute to society. Going forward, we aim to contribute to solving social issues through business by transforming our business portfolio over the long term from a GX perspective.

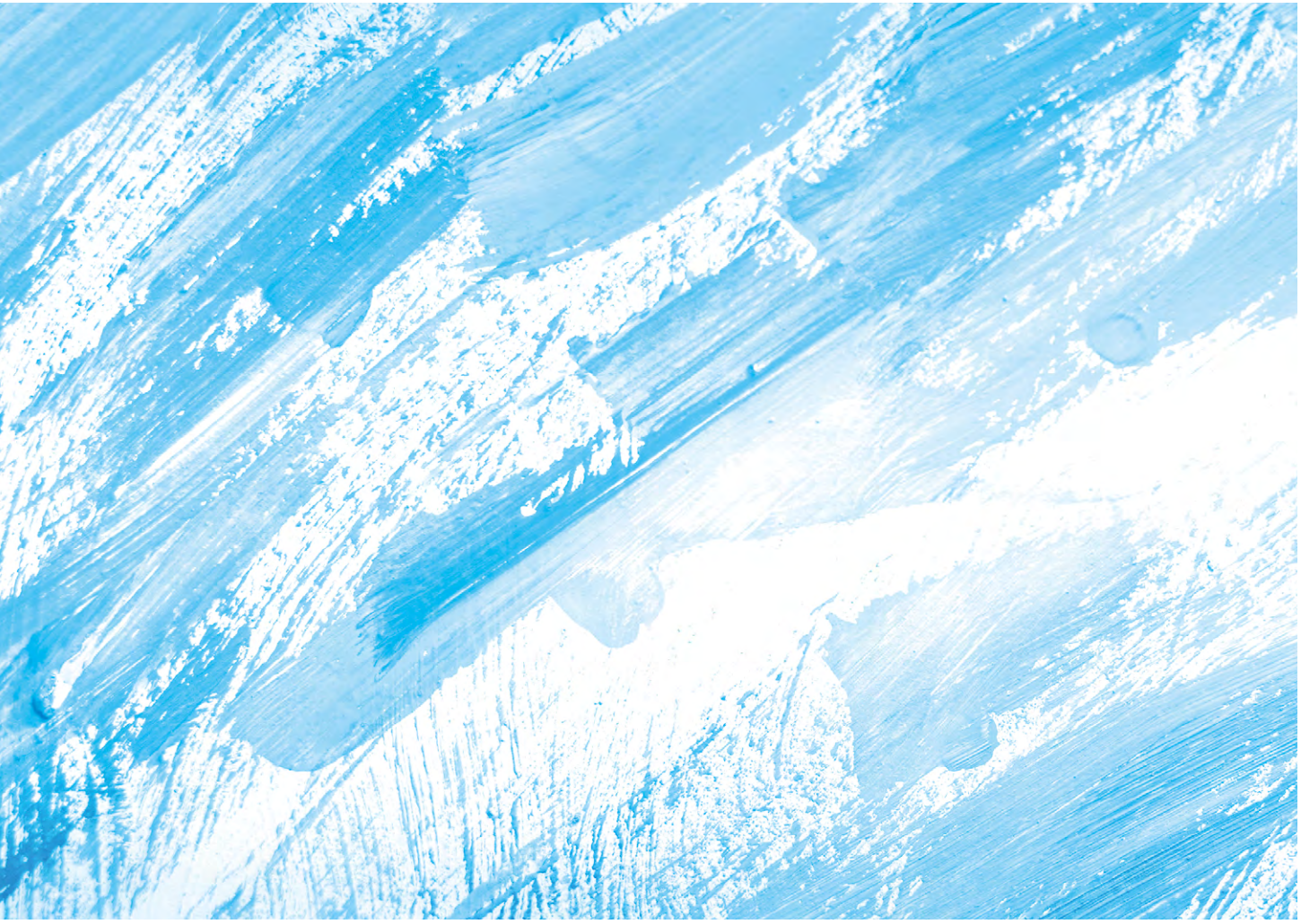
■ Image of Enhancing Corporate Value

What We Strive to Be	Achieve sustainable growth for the Sumitomo Chemical Group and realize a sustainable society by creating both economic and social value



*Jiri-Rita Koushi-Ichinyo**	Our businesses must benefit society at large, not just our own interests.
GX	We contribute to solving social issues through business by promoting the broadly defined green transformation (GX) of climate change, ecosystem conservation, and healthy lives.

Sustainability Management



Contents

Regarding each ESG information, Please refer to the following chapters

Governance: page 043 Environment: page 079 Social: page 130

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.

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.029 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.034 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.027 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.

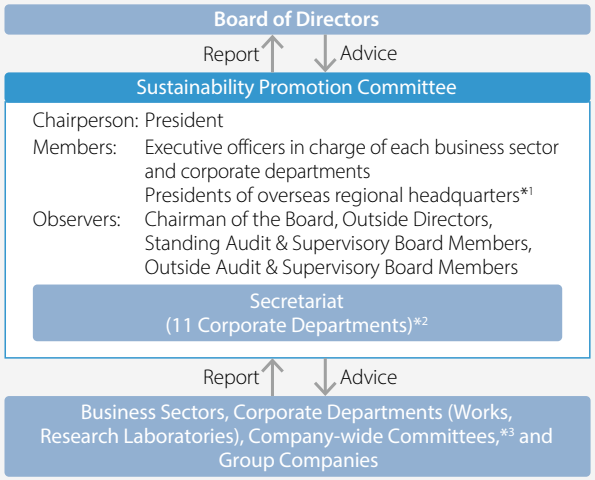
Sustainability Promotion System

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.

Twice a year, the committee convenes meetings 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 and Outside Audit & Supervisory Board Members 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

*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.

Fiscal 2023 Results

The Sustainability Promotion Committee meeting was convened twice in fiscal 2023. The committee shared information on international trends related to sustainability and societal expectations regarding contributions from companies. The committee also comprehensively assessed medium- to long-term ESG issues from a risk and opportunities perspective, based on which it discussed various measures to accelerate the Group's contributions to sustainability and suggested them to relevant departments and organizations.

Accordingly, the Group 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

- Status of initiatives to solve social issues through our business (action on climate change, circular economy, biodiversity, promotion of human rights, initiatives through the value chain)
- Status of determining the specifics of Japan and overseas disclosure standards and the Group's action
- Organization of information on the status of social contribution activities and clarification of direction of activities going forward
- Actions to raise and enhance awareness of the corporate philosophy within the Group

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:

Occupational safety and health, and operational safety and disaster prevention
P.165 Occupational Safety and Health / Industrial Safety and Disaster Prevention

Product safety and quality assurance
P.171 Product Stewardship / Product Safety / Quality Assurance

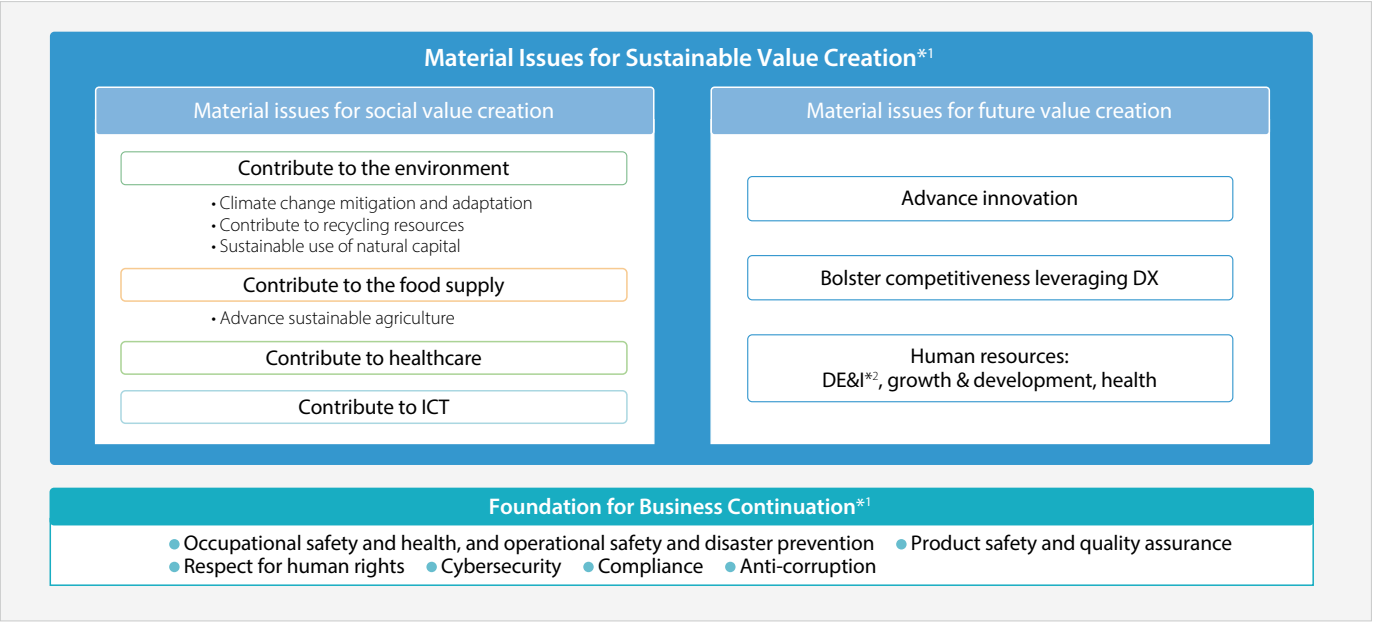
Respect for human rights
P.133 Respect for Human Rights

Cybersecurity
P.077 Cybersecurity

Compliance
P.062 Compliance

Anti-corruption
P.068 Anti-corruption

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



*1 Partially revised in March 2022 *2 Diversity, Equity & Inclusion

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. We will regularly confirm these issues going forward 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 safety and health 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 safety and health 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 our material issues for sustainable value creation.

Material issues for social value creation

Material Issues	KPI	Boundary*1	Results			Goals
			FY2021	FY2022	FY2023	
Contribute to the environment	Amount of Group's GHG emissions (Scope 1+2)	(1)	7.65 million tons	6.58 million tons	5.03 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)	18.61 million tons-CO_2	17.66 million tons-CO_2	16.43 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)	621.2 billion yen	682.8 billion yen	588.7 billion yen	Sales revenue of 1,200 billion yen by FY2030
	Unit energy consumption	(1)	100 ('21=100)	86	87	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)	14	13	13	Helping to reduce environmental impact through technology licensing
	The amount of recycled plastics used in manufacturing processes	(1)	Approximately 2,400 tons	Approximately 5,900 tons	Approximately 7,300 tons	200k tons/year by 2030
Contribute to the food supply	Effect of increasing production of animal protein including poultry	—	Approximately 4.6 million tons	Approximately 4.3 million tons	Approximately 4.2 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 90 million hectares	Approximately 110 million hectares	Approximately 104 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 440 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	—	3.6 billion (cumulative total)	4.1 billion (cumulative total)	4.5 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
				FY2021	FY2022	FY2023	
Advance innovation (Results based on the Patent Asset Index™)	Patent asset size*2		(1)	16,069 (pt)	15,725 (pt)	15,307 (pt)	Maintain a high level of patent assets
Bolster competitiveness leveraging DX	Digital maturity level		(1)	3.3	3.5	3.7	Sustained levelling up of digital maturity
Human resources: DE&I*3, 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%	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%	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%	50% or more of all employees by FY2024
		Maintain certification as a Health & Productivity Management Outstanding Organization (White 500)*4	(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 Diversity, Equity & Inclusion

*4 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

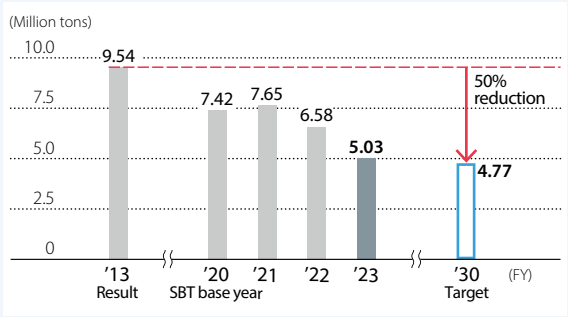
At plants in Japan, we are introducing highly efficient gas turbine generators and decommissioning a number of existing boilers.

Aiming to reduce carbon emissions, we are switching from using conventional high CO_2-emission fuels like coal, petroleum coke, and heavy oil to using low CO_2 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* is accelerating. We will help mitigate climate change by providing battery materials.

* EVs, HEVs, PHEVs, Fuel cell cars

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

In the previous fiscal year, 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.

Eco-friendly vehicles manufactured in FY2023 incorporating SCC's battery materials (Separator, Cathode, Alumina) will help reduce the GHG emission volume* over the next 10 years by:

FY2023 results

16.43 million tons-CO_2

* 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

- Certification 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.

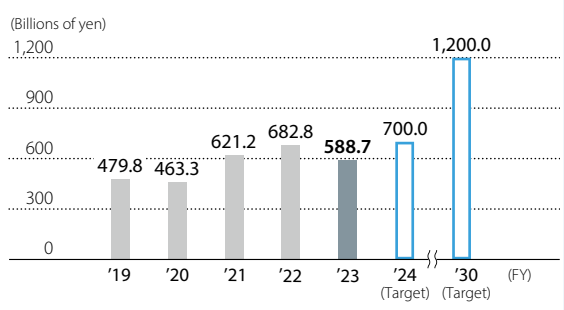
Highlights of sustainability efforts

- Designated 81 products and technologies as of August 2024
- 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

TARGET 7·3 — X2 — DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY

Toward the achievement of SDG 7.3

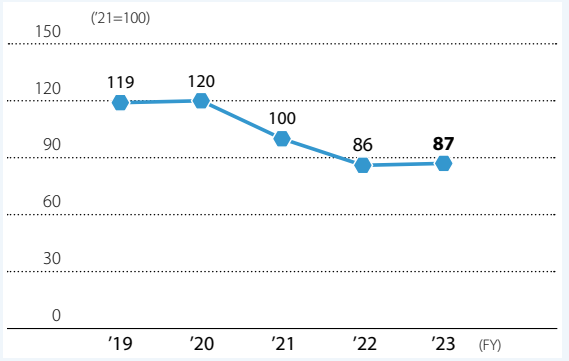
We are installing the latest highly efficient equipment, introducing rationalization and energy-saving measures in production processes, installing LED lighting, and soliciting employee suggestions on how to further improve our energy-saving efforts.

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

TARGET 9.4 — UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY

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.

Total number of plants under license as of the end of FY2023

13

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

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

- Innovative and highly efficient technology for producing methanol from CO_2
  At Ehime Works, we have completed the construction of a pilot facility to establish a highly efficient process for producing methanol from CO_2 and have commenced operations at the facility. We aim to complete the demonstration of this technology at this facility, which was built with the support of NEDO's Green Innovation (GI) Fund, by 2028, following this, we will start commercial production using the new process and providing licenses for the technology in the 2030s. We will also leverage internal condensation reactor (ICR) to improve yields, downsize equipment, and achieve higher energy efficiency compared to conventional processes.
- New environmentally-friendly processes for producing propylene directly from ethanol
  We began to build a pilot facility to establish a process for producing propylene directly from ethanol. With support by NEDO's Green Innovation (GI) Fund, we plan to complete construction of the pilot facility at Chiba Works in early 2025. This new process is compact, low-cost, and will be able to simultaneously produce propylene and hydrogen. We aim to achieve commercialization and provide licenses in the early 2030s and will work to contribute to carbon neutrality and a resource-recycling society.

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

TARGET 12.5 — SUBSTANTIALLY REDUCE WASTE GENERATION

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 CO_2, etc.

Targets

200k tons/year by 2030

Note: 13% of our plastic production capacity

FY2023 result

Approximately **7,300** tons

Highlights of sustainability efforts

- We have completed construction of the pilot facility aimed at the commercialization of mechanical recycling, specifically recycling waste plastic from end-of-life vehicles (ELVs). In fiscal 2024, we will launch a pilot study and provide samples, based on which we aim to begin supplying products in fiscal 2025.
- We collaborated with Niihama City to launch the MICAN Project with the aim of recycling acrylic plastic partition panels. In response to the new issue of disposing of partition panels that were widely used to prevent the spread of COVID-19, we aim to contribute to a recycling society by promoting the local recycling of this material.

Meguri
CIRCULARITY FOR ALL

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

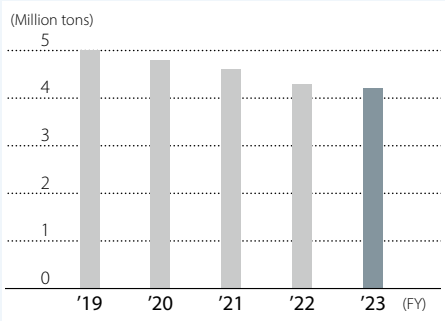
Toward the achievement of SDG 2.1

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 (N_2O), 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

Products that improve the quality and yield of crops and help farmers achieve high productivity and profitability, including 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.

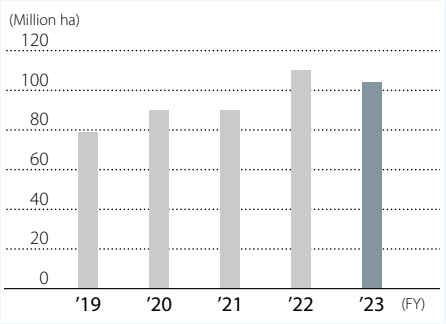
Toward the achievement of SDG 2.4

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.

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.

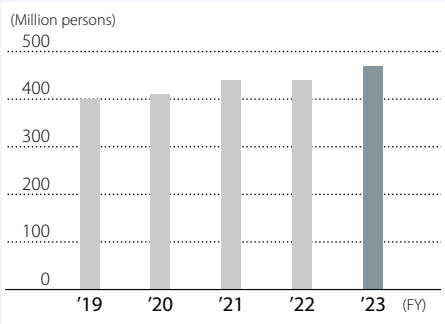
Toward the achievement of SDG 3.3

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, high-speed telecommunications, and sensors 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 support increasingly diverse workstyles and help revolutionize productivity and lifestyles using AI and IoT:

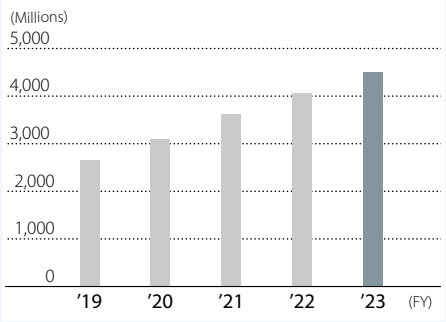
(1) High performance polarizing films for diversifying displays
(2) Next-generation photo resists that contribute to increasingly miniaturized advanced semiconductor processes
(3) Color resists that contribute to highly sensitive and high-resolution image sensors
(4) Gallium nitride substrates, which enable the realization of lighter weight and more energy efficient power devices

Mobile devices that use our polarizing films

Cumulative total for the period from FY2007 to date (as of the end of FY2023)

4.5 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™)

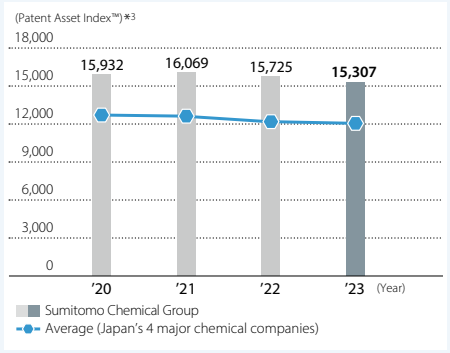
An objective quantification of the overall value of the patents held by Sumitomo Chemical Group based on the technological attractiveness and market exclusivity of each patent. Maintaining attractiveness requires continued R&D that addresses new requests from society.

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		
FY2021	FY2022	FY2023
3.3 points	**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. Self-assessment of our level of achievement and challenges for each item can lead us to take actions to attain higher levels, and help us sustainably improve in a continuous evaluation cycle.

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*

1. Strategies and vision
2. Commitments by business management
3. Mindset and corporate culture
4. Promotion and support systems
5. HR development and secure HR recruitment
6. Reflection of outcomes in business

Development of IT systems as a foundation for achieving DX

7. Systems and governance
8. Secure HR recruitment
9. Ownership of the business operation department
10. Analysis and assessment of IT assets
11. Categorization of IT assets and planning thereof
12. IT system after IT renovation: Ability to follow up on changes

* DX stands for Digital Transformation

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

FY2023 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 2023, we continued to strengthen digital personnel and accumulate DX cases while focusing on utilizing generative AI and databases, and the KPIs of all relevant evaluation items increased.
  - 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 2024, we are still undertaking the following initiatives under the Corporate Business Plan.
  - DX Strategy 1.0, 2.0: Expand the scope of data utilization and unify generative AI and internal data
  - DX Strategy 3.0: Begin creating the next DX3.0 businesses using our experience in creating new business cultivated with Biondo®

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, 2023)
- In 2022, we developed CFP-TOMO®, a carbon footprint calculation system, and rolled it out for chemical industry use (adopted by 107 companies as of April 1, 2024). In recognition of our efforts supporting the realization of carbon neutrality, we received the 17th Responsible Care Award from the Japan Chemical Industry Association (JCIA) and the 20th Director-General's Prize from the Industrial Science and Technology Policy and Environment Bureau of the Ministry of the Environment (the top prize) from the Life Cycle Assessment Society of Japan jointly with the JCIA.

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

DX Strategy 1.0 (Enhancing productivity) DX Strategy 2.0 (Strengthening competitive advantages of existing businesses)	Common	• Share many specific cases and advanced cases of overseas Group companies at DX Repositories (an annual event to share DX activities) with the aim of raising each person's transformation mindset, stimulating DX, and creating innovation
	Plant	• Enhance the efficiency and sophistication of equipment maintenance operations through the Company-wide integration of equipment maintenance systems of eight domestic bases • Improve operational efficiency and visualization by building a platform for Company-wide project information and design approval processes • Strengthen the traceability of quality control through a data utilization platform
	R&D	• Begin operating a technological data sharing system across research laboratories • Expand the use of co-creation spaces (SYNERGYCA) and internally share the non-confidential content of discussions with customers • Use the latest AI simulations and MI to accelerate the research and development of advanced materials
	SCM	• Visualize logical inventory value and inventory status with the aim of reducing inventory • Enhance operational efficiency and prevent inaccurate deliveries by introducing a bill delivery service • For new technologies and developed products expected to come on the market, establish a new technological data website that is searchable from the perspective of customer issues (https://www.sumitomo-chem.co.jp/rd/technical_information/) • Expand product websites and collaborate with AI chatbots (to respond to inquiries)
	Office	• Introduce ChatSCC (the Company's version of ChatGPT) to realize a dramatic improvement in productivity. Support and accelerate specialized operations by utilizing in-house massive data and knowledge and integrate them with generative AI • Enhance the efficiency of accounting processes using digital technology • Proactively utilize office-related digital tools (including RPA, Teams, electronic requests) for the individual tasks of each sector
DX Strategy 3.0 (Creating new business models)		• Launch the DX 3.0 promotion team and begin full-scale efforts to quickly realize new business models that utilize data • As the first step of the project, we will build a resource utilization platform (Biondo®) connecting natural materials and people through data. We aim to contribute to resource recycling by encouraging the effective use of natural materials, including food waste.
Personnel training		• Based on the training program customized for Sumitomo Chemical, train digital personnel (business- and technology-related). Make steady progress toward medium-term targets (until the end of fiscal 2024). • Set targets for training and number of personnel promoting DX and target the placement of DX personnel in all sectors. To this end, we are working hard to train business-related DX personnel in addition to R&D- and production-related DX personnel. Number of personnel as of March 31, 2023. Numbers inside parentheses are medium-term targets. Business-related: Business translators: 152 (150), Business data analysts: 73 (100) Technology-related: Data scientists: 25 (30), Data engineers: 249 (300) • Accumulate and share knowledge through a DX repository and DX liaison meetings • 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.
FY2023
29.0%

Percentage o f male employees who have taken childcare leave or other childcare-related leave due to birth of a child during the current fiscal year.
FY2023
97.3%

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/kpi_diver_group.pdf

Development & Growth

To encourage people to learn and grow on their own, in line with the concept of "whenever, wherever, 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 93 courses, steadily expanding)

(2) Self-Improvement Courses
Programs that enable learning on personal smartphones and PCs, such as business and language skills (a total of 3,300 courses and 15,000 videos)

Results	
FY2022	FY2023
24.6%	39.4%

Health

KPI

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

Results (June 2024)
Maintained certification over the past 7 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.

2024 健康経営優良法人 Health and productivity ホワイト500

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.

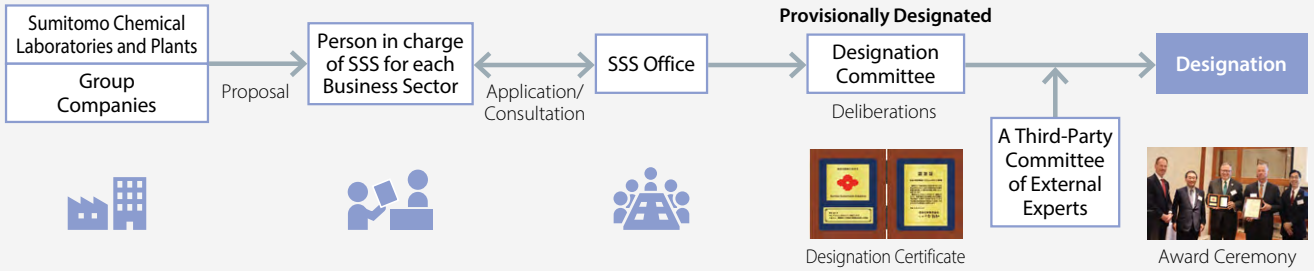
We have also set targets based on sales revenue from SSS-designated products, and we have been monitoring the progress of our efforts using those KPIs. In addition, we include contributions to the creation of social value and SSS designation in the selection criteria for our employee commendation system.

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.

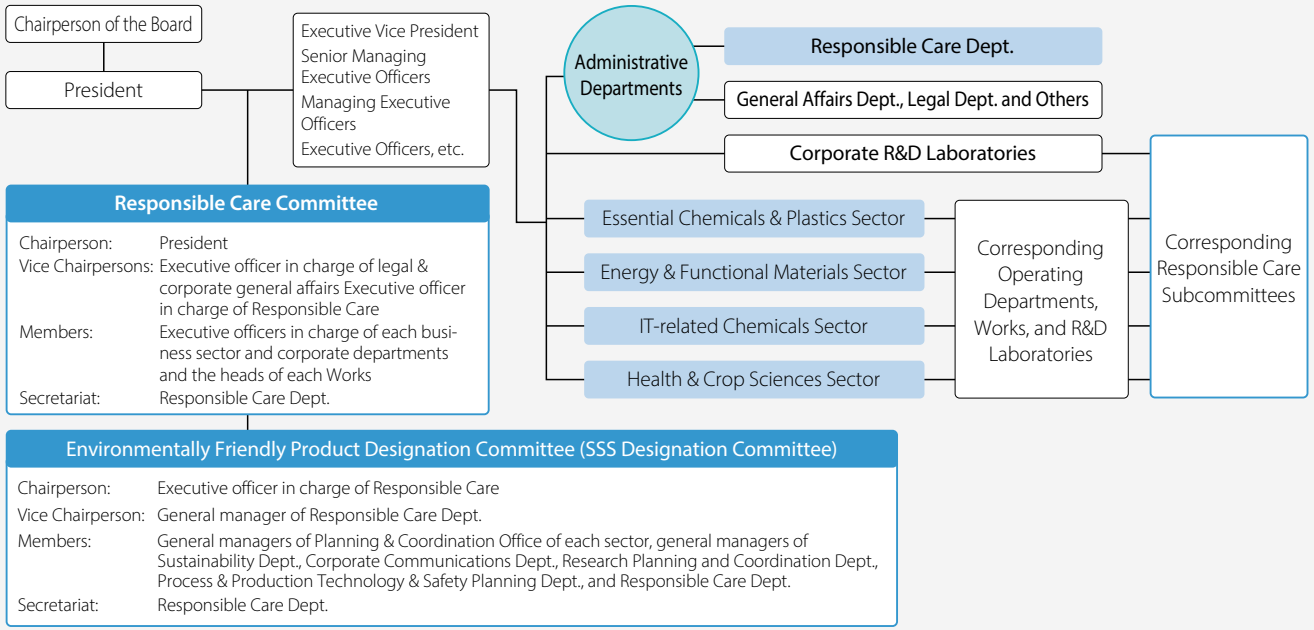
Note: The Environmentally Friendly Product Designation Committee (Sumika Sustainable Solutions Designation Committee) was established under the Responsible Care Committee.

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.

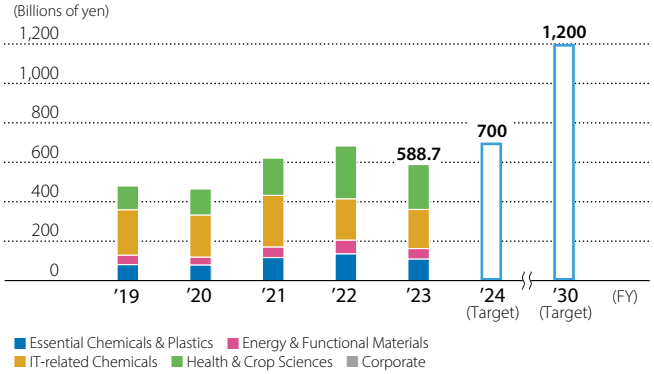


Environmentally Friendly Product Designation Committee



In fiscal 2023, the ninth year of this initiative, the number of SSS-designated products and technologies totaled 81, amounting to approximately 588.7 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: Cosmoplene Circular PP, a polypropylene (PP) resin that is chemically recycled from plastic waste; AES-11 and AES-12 alumina for use in lithium-ion secondary battery separators; adhesive lamination technology for manufacturing the polarizing films used in high-end small- and medium-sized OLED display devices; Guntoner Natural Pyrethrin MC, a termite insecticide with naturally-derived active ingredients; and Guntoner Natural Pyrethrin MC for wood treatment. 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)

	FY2023
Sales revenue of the Sumitomo Chemical Group	2,446.9
Sales revenue of SSS-designated products	588.7

Sumika Sustainable Solutions

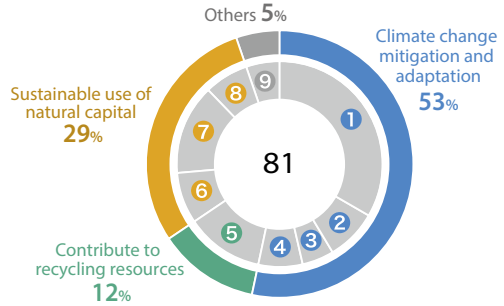
https://www.sumitomo-chem.co.jp/english/sustainability/management/promotion/sss/

Designation Requirements by Category

Category	Designation Requirements	Responses to the SDGs
Climate change mitigation and adaptation	① Contribution to reducing greenhouse gas emissions	
	② Products, parts, or materials related to renewable energy (including energy storage)	
	③ Using biomass-derived materials and effective in reducing environmental impact	
	④ Contribution to adapting to climate change impacts	
Contribute to recycling resources	⑤ Contribution to resource recycling (waste reduction, recycling, resource conservation, etc.)	
Sustainable use of natural capital	⑥ Contribution to reducing environmental impact, such as reduction of hazardous substances	
	⑦ Contribution to reducing environmental burden in food production	
	⑧ Contribution to efficient use of water resources	
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 Certification Field (FY2023)

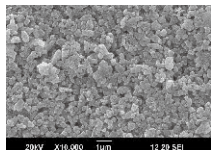


Note: Number of SSS certified products and technologies 81

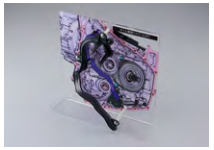
"Sumika Sustainable Solutions" Main Products and Technologies

Climate Change Mitigation and Adaptation

Solutions		◆Features / ●Contributions	Contributions to SDGs
SUMIKAEXCEL™, polyethersulfone		◆An additive for carbon-fiber reinforced plastics used in aircraft ●Making aircraft lighter and hence fuel-efficient	
PERVIO™, lithium-ion secondary battery separator		◆A material capable of providing high-capacity lithium-ion secondary batteries ●Expanding use of next-generation vehicles, such as electric vehicles	
SUMIMET™, feed additive methionine		◆Adding methionine to poultry feed improves the balance of amino acids in feed ●Reduced nitrogen in poultry excrement, a cause for greenhouse gas emissions	
Carbon dioxide separation and recovery technology (Sumitomo Joint Electric Power Co., Ltd.)		◆Separates and recovers CO_2 from gases exhausted from a thermal power station, which is then used as an auxiliary material for chemicals production at another manufacturing plant of Sumitomo Chemical's Ehime Works.* * Technology for CO_2 separation and recovery is a proprietary technology of Nippon Steel Engineering Co., Ltd ●Contributes to reducing CO_2 emissions.	
HEATORAGE™, COMFORMER™, heat storage plastic material		◆These heat storage plastic materials are designed to absorb and release heat in the 20℃ to 50℃ temperature range. ●Using this between insulation layers in the roofs of residences reduces the cooling burden in summer.	
Cathode materials and their precursors for lithium-ion secondary batteries (Battery Materials Division / Tanaka Chemical Corporation)		◆These cathode materials and precursors significantly improve the performance of lithium-ion secondary batteries. ●Switching from gasoline cars to hybrid cars will enhance fuel efficiency.	

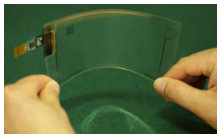
Solutions		◆Features / ●Contributions	Contributions to SDGs
Thermofil™ HP, glass fiber-reinforced polypropylene (Sumika Polymer Compounds Europe Ltd.)		◆Glass fiber-reinforced polypropylene that can be used to replace aluminum and glass fiber-reinforced polyamide parts ●Emits less GHG during production	
Simple sampling technology for hydrogen quality evaluation for fuel-cell vehicles (FCVs) (Sumika Chemical Analysis Service, Ltd.)		◆A better analysis method for evaluating the quality of hydrogen gas ●Enables the extraction of gas samples at low pressure, thereby improving safety during shipping and reducing GHG emissions	
Phosphoric acid-free silver etchant (DONGWOO FINE-CHEM Co., Ltd.)		◆Developed phosphoric acid-free etchant is produced using biomass-derived raw material. ●Uses biomass-derived citric acid as a raw material, ensuring resilience to phosphorous supply shortages	
Lightweight packaging containers for crop protection chemicals (Sumitomo Chemical Latin America*)		◆Reduce the weight of HDPE containers used to ship crop protection chemicals ●Reduces the amount of HDPE materials used in manufacturing and thus GHG emissions while resulting in lighter containers	
Gallium nitride (GaN) epitaxial wafers for radio frequency wireless communication applications		◆Developed GaN epitaxial wafers that have higher saturation velocity and higher critical electric field than Si/GaAs wafers ●These wafers are used in transistors for high-frequency power amps in 5G base stations, which helps reduce the power consumption of wireless infrastructure that utilizes radio frequency signals.	
Alumina AES-11 and AES-12 for use in lithium-ion secondary battery material		◆Alumina used for coating of the separator of lithium-ion secondary batteries ●Expand the use potential of electric vehicles equipped with lithium-ion secondary batteries	

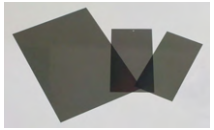
* A Group company for the South American region, including Sumitomo Chemical Brazil and Sumitomo Chemical Chile.

Solutions		◆Features / ●Contributions	Contributions to SDGs
SUMI-EPOXY™ ELM-434 series		◆Epoxy resin used in combination with polyethersulfone in carbon fiber reinforced plastics for aircraft ●Enhance fuel efficiency by making aircraft bodies more lightweight	
SUMIKASUPER™ LCP for use in oil circulation pipes		◆Thermoplastic engineering plastic used in oil circulation pipes of HEV transaxles ●Improves fuel efficiency of HEVs by reducing vehicle weight and resource use efficiency by reducing oil consumption	
AdGreen® renewable adjuvant for agrochemicals (Sumitomo Chemical Latin America)		◆Plant oil-based spreader added to agricultural fungicides ●Uses biomass-derived raw materials to reduce fossil resource consumption	
Guntoner Natural Pyrethrin MC and Guntoner Natural Pyrethrin MC for wood treatment (SC Environmental Science Co., Ltd.)		◆Termite control agent with natural pyrethrin extracted from chrysanthemum plants as the active ingredient ●Uses biomass-derived raw materials to reduce fossil resource consumption	

"Sumika Sustainable Solutions" Main Products and Technologies

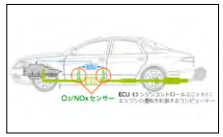
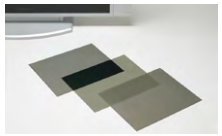
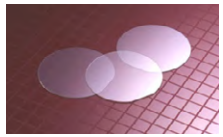
Contribute to Recycling Resources

Solutions		◆Features / ●Contributions	Contributions to SDGs
SUMIKATHENE™EP, EXCELLEN™GMH, polyethylene used for refill pouches		◆For detergent packaging, pouch bags made of this polyethylene material have easy tear-open spouts for easy refilling of dispensers ●Producing less plastic waste than rigid bottles	
Multi-purpose polypropylene sheet (Sumika Plastech Co., Ltd.)		◆Being free from paper dust concern and desirable from a viewpoint of re-use, it is used for food containers and delivery materials for electronic parts. ●Contributing to reducing greenhouse gas emissions.	
Cobalt-coated nickel Hydroxide positive Electrode material (Tanaka Chemical Corporation)		◆Making the designing of high-output nickel hydride batteries possible ●It contributes to widespread use of environmentally friendly vehicles. Cobalt usage can also be reduced.	
Transfer technology used in the manufacture of flexible touch sensors (DONGWOO FINE-CHEM Co., Ltd.)		◆Transfer technology used in manufacturing touch sensors for use in foldable smartphones without the use of adhesive film ●Resource savings and reductions in power consumption have been achieved	
Ecologically friendly pouch containers for liquid shower herbicides (Rainbow Chemical Co., Ltd.)		◆Replaced plastic bottles with standing pouch containers for liquid shower herbicides ●It reduces the volume and weight of plastic waste.	
EMOPLEN™ A 1815 R BLACK (Sumika Polymer Compounds Turkey)		◆Polypropylene material manufactured by recycling waste plastics ●Reduces plastic waste	

Solutions		◆Features / ●Contributions	Contributions to SDGs
Recycled PMMA sheet SUMIKA ACRYL SHEET™ Meguri® (Sumika Acrylic Sales Co., Ltd.)	 Photograph provided by KOIZUMI LIGHTING TECHNOLOGY CORP.	◆PMMA sheet material manufactured by recycling waste PMMA ●Reduces PMMA waste	
COSMOPLENE® Circular PP (The Polyolefin Company (Singapore) Pte. Ltd.)		◆Polypropylene manufactured using chemical recycling technology, made from recycled oil obtained by pyrolyzing waste plastics ●Reduces plastic waste	
Adhesive lamination technology in the polarizer manufacturing process		◆Technology for bonding raw material films by UV adhesion in the manufacturing process of polarizers for high-end small- and medium-sized OLED displays ●Eliminates peelable PET film waste when adhering layers using conventional methods	

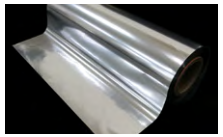
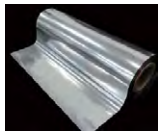
"Sumika Sustainable Solutions" Main Products and Technologies

Sustainable Use of Natural Capital

Solutions		◆Features / ●Contributions	Contributions to SDGs
High-purity alumina (for use in automotive O_2 / NOx sensors)		◆This material is used as insulation for the high-performance sensors that are needed to keep automotive emissions of NOx and other gases under mandated levels. ●It helps reduce greenhouse gas emissions.	
Biorationals (Microbial pesticides, plant growth regulators, biorational rhizosphere microbial agricultural materials)		◆Use of active ingredients derived from naturally occurring substances ●Contributes to the promotion of sustainable agriculture and the stable supply of safe and secure food	
Effluent treatment technology using a deammoniation tower		◆Removes and recovers ammonia from effluent and recycles it for re-use. ●Reduces nitrogen discharge from manufacturing plants	
Prevention of iodine oxidation in manufacturing process for polarizing films		◆A technology that prevents the oxidation of iodine through optical control, used in the polarizing film manufacturing process ●Saves resources and reduces environmental impact by reducing the use of chemicals	
TPEs for non-painted airbag covers		◆These TPEs are for airbag covers and offer a superb, high-quality appearance even when not painted. ●These TPEs reduce the generation of VOCs during painting, which occurs mainly during the drying process.	
Manufacturing technology for fluorene derivatives (Taoka Chemical Co., Ltd.)		◆A better method for manufacturing fluorene derivatives, the raw materials for plastic lenses ●Uses a new manufacturing method to lower GHG emissions, water use, and water emissions	
GaN substrates for laser light source projectors		◆Developed GaN substrates, to operate LED laser light used to replace mercury lamps in projectors ●Reduces GHG emissions by allowing replacement of mercury lamps with LED laser light	

Solutions	◆Features / ●Contributions	Contributions to SDGs
Polymer OLED materials 	◆A coating method for producing polymer OLED materials, replacing conventional deposition method ●Reduces GHG emissions by increasing usage efficiency of OLED materials during manufacturing	
BENICA Natural Spray (Sumitomo Chemical Garden Products Inc.) 	◆A new insecticidal and fungicidal spray using a unique formulation of three naturally derived ingredients that shows outstanding efficacy against lepidopteran pests. ●Expands replacement with sprays using naturally derived ingredients to reduce environmental impact	
Natural predator insects, organism-based crop protection products (Sumika Technoservice Corporation) 	◆Organism-based crop protection products created using proprietary free-range technologies to raise and commercialize indigenous species ●Built a sustainable eco-friendly agriculture industry by delaying the onset of chemical resistance and reducing environmental impact arising from agrochemicals	
PFAS-free KrF Photoresists 	◆KrF photoresist free of PFAS compounds ●Complies with increasingly strict PFAS regulations	

Others

Solutions	◆Features / ●Contributions	Contributions to SDGs
Polypropylene material for biaxially stretched films for capacitors (The Polyolefin Company (Singapore) Pte. Ltd.) 	◆Polypropylene materials for aluminum metallization film, used for food packaging that can extend shelf life ●Extends the shelf life of food products	
Polypropylene material for biaxially stretched films for capacitors (The Polyolefin Company (Singapore) Pte. Ltd.) 	◆Polypropylene material for capacitors that limits metal content (ash) from catalysts residue to ultra-low levels ●Reduces GHG emissions during manufacturing by enabling a switch from conventional PET film to PP film	
Banana Bag (TotalFlex® 0.4) (Sumitomo Chemical Latin America) 	◆Developed a protective banana bag ●Eliminates the need to spray leaves with insecticide, reducing chemical exposure of producers to insecticides and improving the working environment.	
SumiLarv® 2MR with WALS® (Sumitomo Chemical Latin America) 	◆Promotes relatively optimized vector control by combining SumiLarv® 2MR and WALS®, which can spray the biorational VectoBac™ effectively through the air. ●Builds a sustainable society through vector control that uses fewer chemicals to prevent outbreaks and the spread of dengue fever and other infectious diseases	

Sumitomo Chemical Group: 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 strive 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 about their own ideas and actions and to share their views. In 2023, the 10th year since the start of this initiative, we are still promoting relevant activities and changed the 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)."

2023 Initiative

In 2023, based on the theme of carbon neutrality, which is a part of the broadly defined green transformation (GX) outlined in the Corporate Business Plan (FY2022–FY2024), Group managers and employees around the world posted and shared about their efforts to reduce CO_2 emissions in their daily lives and work. This initiative helps deepen understanding of the necessity of realizing carbon neutrality by 2050, the Group's grand design for initiatives to achieve that goal, and examples of initiatives aimed at reducing CO_2 emissions in daily life.

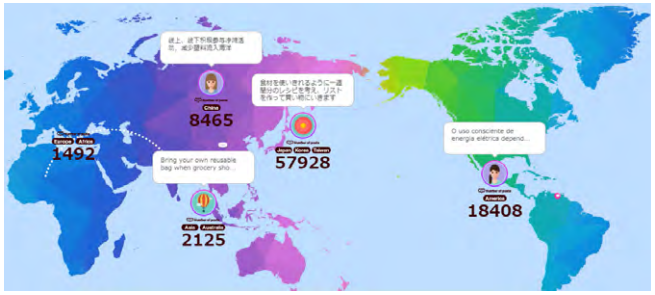
Title:	JIRI-RITA ACTION 2023 —Shape Our Sustainable Future with *JIRI RITA*
Theme:	Creating a Carbon-Neutral Future through Your Action
Participation results:	Number of participating companies 113 Number of actions taken* 26,364

Benefits gained from these initiatives:

- By disseminating the messages from the Top and examples of initiatives, we fostered greater understanding and motivation to realize carbon neutrality.
- Based on common themes related to sustainability, we facilitated active communication on the site globally and were able to foster a sense of unity across the Group.

* Number of posts and supportive comments made in response

Initiatives to Date



Many posts and supportive comments were received from managers and employees worldwide.

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 young employees, Sumitomo Chemical began Sumika ★ Stories, a new series of events held in person and online, from November 2021.

For the Sumika ★ Stories, we tell "stories about contributing to society through our business" using examples of successful contributions made through technologies and initiatives related to Sumitomo Chemical's unique style of sustainability undertaken with a sense of purpose and passion. We aim to continue creating Sumitomo Chemical stories with an eye to the future, fueled by awareness and a sense of accomplishment gained through these events.

In fiscal 2023, we held the event five times. Participants offered such feedback as "The quizzes and other interactive sections were good because they made the explanations easier to understand" and "It was a good opportunity to confirm the improvements and initiatives currently being conducted in the Company. It made me want to put those efforts into practice in my own work, even if just a little."

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. Going forward, we plan to regularly hold four to five events every year.

Concept

Points:

(1) Stories Unique to Sumitomo Chemical

We use cases related to the Group's sustainability, such as SSS, as topics and get speakers to talk about case overviews, dreams, ideas and other private matters, 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

New employees facilitating a talk

Scene from a discussion

FY2023 Event Results

	Theme	Number of participants / video views
Seventh talk	How to take ownership of carbon neutrality	370 people / 306 views
Eighth talk	Sumika advertisement created by new employees	330 people / 610 views
Ninth talk	Let's discuss our dreams for life science in the future*	431 people / 187 views
Tenth talk	What we can do now to realize a circular economy	239 people / 838 views
Eleventh talk	Let's enjoy our work to further create value	450 people / 377 views

Note: video views as of May 2024

* This was the first 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)

The Sumitomo Chemical Group joined the UN Global Compact (UNGC) in January 2005, as the first Japanese chemical company to do so. We signed on to the ten principles related to protecting human rights, abolishing unfair labor practices, adapting to the environment, and preventing corruption.

At the September 2020 UN General Assembly, we signed on to the UNGC's A Statement from Business Leaders for Renewed Global Cooperation.

We support the UNGC's new initiative "Forward faster," which was announced in March 2024. We commit 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	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

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

https://ungc-communications-assets.s3.amazonaws.com/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)*1

The Sumitomo Chemical Group joined the World Business Council for Sustainable Development (WBCSD) in 2006 and has participated primarily in activities related to addressing climate change. Recently, we have been participating in the formulation of the Chemical Sector SDG Roadmap, which organizes sustainability-related fields and issues pertaining to the chemical industry using the SDG framework with the aim of realizing sustainability.

In addition, we participated in the formulation of the WBCSD TCFD Chemical Sector Guidance. The guidance explains how to make effective disclosures using the frameworks of the TCFD recommendations for the chemical sector and details the fundamental elements needed to analyze scenarios.

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

*1 WBCSD:
This organization was established to advocate for business sector views on sustainable development. The group provides advice to help promote sustainability at international conferences, such as the World Economic Forum, the B20 Summit, and the Conference of the Parties of the UNFCCC.

The G7 Alliance on Nature Positive Economies (G7ANPE)

Sumitomo Chemical joined the G7 Alliance on Nature Positive Economies as a founding member. The alliance was established at G7 Sapporo in May 2023 as a forum for sharing knowledge and creating information networks on nature positive economies.

FY2023 Initiative Results

September 2023	At the G7ANPE meeting Senior Managing Executive Officer Nobuaki Mito presented a lecture on "Sumitomo Chemical's Approaches for 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 Senior Managing Executive Officer Nobuaki Mito.

G7ANPE
https://g7anpe.com/

Task Force on Climate-related Financial Disclosures (TCFD)*2

The Sumitomo Chemical Group uses the framework of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for disclosing information on addressing climate change and actively communicating its efforts, with the recognition that such disclosures reflect the demands of the current era. In addition, by participating in initiatives related to the TCFD recommendations amid this situation, we are collaborating on the creation of guidance through dialogue between investors and companies while learning best practices.

Our Efforts through Participation in External Initiatives

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, Chairman Tokura 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 At the TCFD Summit in October 2022, the Executive Officer Toshihiro Yamauchi introduced the Company's initiatives to address climate change.

*2 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.

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

The Sumitomo Chemical Group further promotes ecosystem conservation and the sustainable use of natural capital.* To enhance the disclosure of nature-related information, we support the vision of the Taskforce on Nature-related Financial Disclosures (TNFD) and participate in the TNFD Forum, which is network comprising organizations and companies that have expertise related mainly to nature and finance in support of said activities. By participating in this forum, we work to further enhance nature-related disclosures.

We announced our support for the TNFD's disclosure recommendations and registered as a TNFD Adopter in January 2024.

TNFD

https://tnfd.global

* Capital formed by nature, including forests, soil, water, air, underground resources, and biological resources. Natural capital is a type of capital that is essential to supporting people's lives and the infrastructure of companies.

Alliance to End Plastic Waste (AEPW)

Since the AEPW's launch in January 2019, as a member company, Sumitomo Chemical has been financially supporting its activities and engaging in the selection of projects undertaken in places around the world, verification of sustainability, and evaluation of impacts. In addition, we work with others through the AEPW framework on initiatives that would be difficult to undertake alone, such as projects to upgrade trash collection infrastructure in countries around the globe with high plastic waste emissions.

In addition, we proactively participate in events and webinars that consider what Japanese industries, government, and academia should do to solve the plastic waste problem with reference to successful examples of projects promoted around the world by AEPW.

AEPW

https://endplasticwaste.org/

Japan Clean Ocean Material Alliance (CLOMA)

CLOMA is a domestic alliance launched in January 2019 working to 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.

Sumitomo Chemical participates 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 strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives. The organization collects examples of initiatives related to advanced circular economy, disseminates and shares data on the cases in Japan and overseas, shares information and forms networks related to a circular economy, and establishes places for dialogues to promote a circular economy.

Sumitomo Chemical 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)

Circular Partners is a partnership that was established in September 2023 to encourage collaboration across industries, the government, and academia with the aim of realizing a circular economy based on an economic strategy formulated in March 2023. The realization of a circular economy is a difficult undertaking for a company acting alone as it is important for parties across the entire life cycle of its products to work together to expand initiatives.

Sumitomo Chemical proactively participates in networking events to deepen bonds between members and strives to promote initiatives through collaboration.

CPs (Japanese only)

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

International Council of Chemical Associations (ICCA)*

The Sumitomo Chemical Group participated 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 promote the widespread adoption of breakthroughs and achievements in this field. We also worked to promote the spread of the results of the research.

In addition, we also participate in the chemical Substance Policy and Health Leadership Group. We cooperate in conducting surveys related to regulatory trends around the world and mechanisms for relaying information on chemical substances contained in products. We also participate in working groups related to the harmonization with chemical substance categorization being introduced in Asian countries. Furthermore, we participated in a working group on plastic waste problems and in discussions based on sound science related to problems surrounding microplastics and plastic substitutes.

* 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.

GX (Green Transformation) League

The Sumitomo Chemical Group has participated in the GX League since signaling its support of the Ministry of Economy, Trade and Industry's GX League Basic Concept. The GX League comprises companies that proactively conduct GX and works with those striving to realize GX in governmental, academic, and financial fields. The league is a unified forum for creating new markets and discussing system-wide transformations of the economy and society. By promoting GX initiatives, the Company aims to enhance corporate value through business.

GX League
https://gx-league.go.jp/en/

Women's Empowerment Principles (WEPs)

The "Women's Empowerment Principles" (WEPs) are seven principles 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 United Nations Development Fund for Women (UNIFEM, now UN Women). With companies taking proactive steps and positioning gender equality and female empowerment at the core of management, the expectation is that the WEPs will be applied internationally to promote the economic empowerment of women.

In 2013, Sumitomo Chemical endorsed the WEPs. In 2016, we helped found the WEPs Subcommittee in the Global Compact Network Japan (GCNJ (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.weps.org/

P.156 Human Resources Management: Promoting the Active Advancement of Women

Stakeholder Engagement Program Hosted by Caux Round Table Japan

P.141 Respect for Human Rights: Engaging in Human Rights Initiatives

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

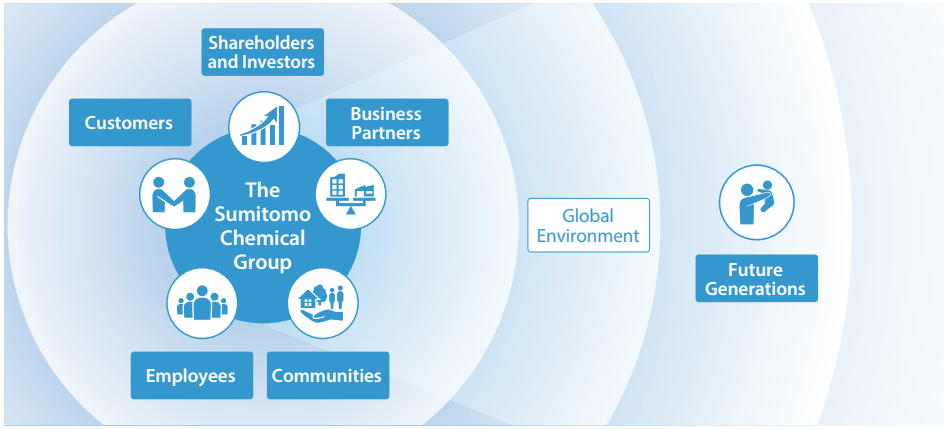
We disclose necessary information and report on the progress of our various initiatives. We also make an analysis of the needs of society as appropriate and review external assessment results in order to improve our communication and ensure proper disclosure.

(2) Dialogue

In addition to proactive disclosure, we actively engage in two-way communication or dialogue 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.

Stakeholder Engagement



Opportunities to Communicate with Stakeholders

Stakeholders	Sumitomo Chemical Group's Responsibility	Measures
Shareholders and Investors	We communicate regularly, effectively and strategically with shareholders and investors with regard to management policies, business strategies, and earnings trends. We fulfill our accountability to shareholders to maintain and improve the market's trust in the Sumitomo Chemical Group, while also promoting the market's accurate understanding of the Company with a view to a fair market valuation of the Company's shares and the improvement of our corporate value.	• General meetings of shareholders • Corporate strategy briefing meetings • Financial results conference call • Briefing meetings for individual investors • Investor relations publications, including Annual 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 • Monitoring and providing feedback by using our Supplier Code of Conduct and Sustainable Procurement and check sheets. • A dedicated team to answer inquiries from 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 • Labor-management committee for the promotion of work-life balance • Various training programs • Communication 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, WBCSD and ICCA) • Providing information mainly through the Company's website, Environmental and Safety Report, and Annual Report • Holding dialogues with local communities, opinion exchanges, plant tours, and more • Community contribution activities

External Evaluation

ESG Investment Indexes

FTSE4Good

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

MSCI ESG RATINGS AAA
CCC B BB BBB A AA AAA

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Evaluations and Certifications from External Institutions Related to ESG

CDP SUPPLIER ENGAGEMENT LEADER 2023

2024 ESG FINANCE AWARDS JAPAN BRONZE

COMMITTED ecovadis Sustainability Rating APR 2024

2024 健康経営優良法人 Health and productivity ホワイト500

2023年認定 くるみん

Awards Related to ESG

- 20th Life Cycle Assessment Society of Japan (JLCA) Awards
  The Ministry of Economy, Trade and Industry's Industrial Science, Technology and Environment Policy Bureau Chief's Award
- The 23rd Green Sustainable Chemistry Awards hosted by the Japan Association for Chemical Innovation (JACI)
  The Minister of Economy, Trade and Industry's Award and the Minister of the Environment's Award

P.094 **Climate Change Mitigation and Adaptation:** Specific Initiatives for "Contribution"

The Sumitomo Chemical Group's Contribution to the SDGs

We at the Sumitomo Chemical Group are committed to contribute through our business to establishing a sustainable society while also achieving our sustained growth. We have set out our guiding principles for efforts toward these goals in the Basic Principles for Promoting Sustainability. In these principles, we affirm our commitment to helping resolve critical issues facing the international community.

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 abiding by international rules related to sustainability and helping resolve vital issues facing the international community. In particular, we pledge to promote efforts toward achieving the United Nations Sustainable Development Goals (SDGs).

P.007 Basic Principles for Promoting Sustainability

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

Specific SDGs for Each Business Sector to Focus on

The Sumitomo Chemical Group is working on various efforts in order to help realize a sustainable society through innovation and business and by leveraging its strengths as a diversified chemical company.

Business Sector		Primary Focus SDGs
Essential Chemicals & Plastics		7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Energy & Functional Materials		7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
IT-related Chemicals		8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 17 PARTNERSHIPS FOR THE GOALS
Health & Crop Sciences		2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 17 PARTNERSHIPS FOR THE GOALS
Pharmaceuticals		3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

Annual Report 2024

https://www.sumitomo-chem.co.jp/english/ir/library/annual_report/files/docs/scr2024e#page=65.pdf

Advance Innovation

Sumitomo Chemical believes that innovation, which is generated by our "ability to develop innovative solutions by leveraging its technological expertise in diverse areas," one of our core competencies, is the source of our future value, and we have designated "advance innovation" as one of the material issues for future value creation. We will continue to strive to enhance our corporate value through innovation, focusing on four priority areas: the related fields of environment, food, healthcare, and ICT.

Research and Development

Basic Policy

Amid increasing uncertainty in the business environment surrounding our company, the role played by the chemical industry in solving societal issues, such as climate change, food security, and infectious diseases is significant, and our business opportunities are expanding.

Our research and development is based on the following basic policies.

■ Basic Policy

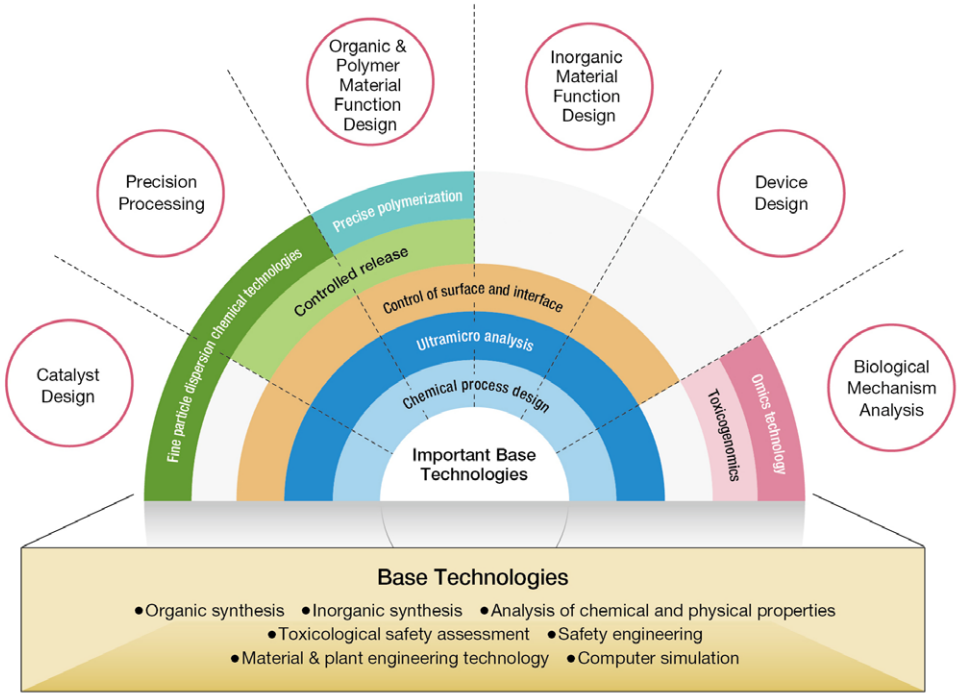
1. Early commercialization of development items
2. Building the foundation of next-generation businesses
3. Building and operating a system to continuously create innovation
4. Promoting R&D based on business (commercialization) strategies and intellectual property strategies

Strengths of Sumitomo Chemical's R&D

Through extensive research activities over the years, Sumitomo Chemical has acquired six core technologies: catalyst design, precision processing, organic and polymer material functional design, inorganic material functional design, device design, and biological mechanism analysis. We have cultivated research and development assets in the three areas of Green, Digital, and Bio. We are engaged in research and development to create new solutions to social issues and trends around the world by fully leveraging these assets. Based on our belief that "creative R&D is what will build a new era," we will continue to strengthen our solution development capabilities.

Moreover, in addition to developing new materials, we are also emphasizing linkages with the business of materials solutions, which encompasses the development of downstream businesses and businesses of different industries. In order to quickly and efficiently apply the fruits of our R&D efforts toward the development of high value-added businesses, we will aggressively pursue technological collaborations with academic institutions and companies from other industries around the world.

■ Six Core Technologies



Sumitomo Chemical's Innovation Ecosystem Accelerates the Creation of Next-Generation Businesses

Sumitomo Chemical is building an innovation ecosystem (a system that continuously creates innovation) to steadily link R&D and business development to the creation of next-generation businesses.

In each of the four priority areas, we have formulated focus areas for our efforts, have identified core technologies that we own and core technologies that we do not own, and we are acquiring non-owned technologies through collaboration with startups and academia. As for business competence, we are also supplementing the lacking areas with alliances and investments with outside companies and startups, considering designing a business model that leverages our strengths and thematizing. At each stage of promoting themes, we communicate closely with relevant internal departments, external partners, and customers, and appropriately reflect their feedback to promote research and development. We also thoroughly utilize digital technologies such as AI and MI* to accelerate development. In addition, we will incorporate new ideas and technologies that emerge in the course of theme promotion and dialogue with partners, and link this to the continuous creation of innovations.

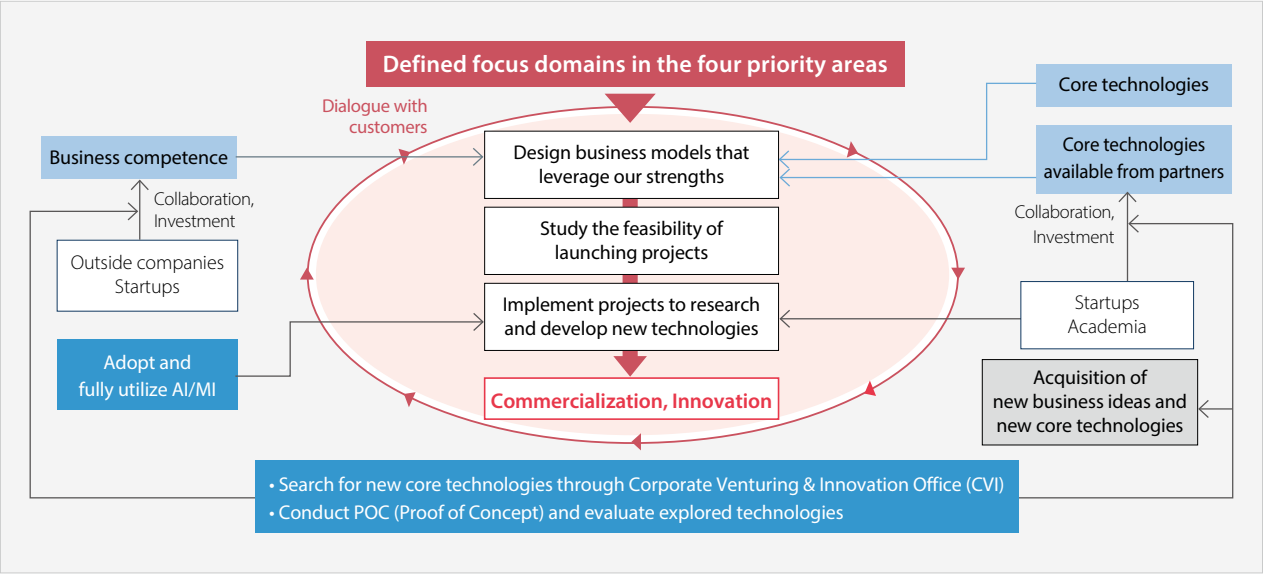
* Materials Informatics

Stage-gate Management System

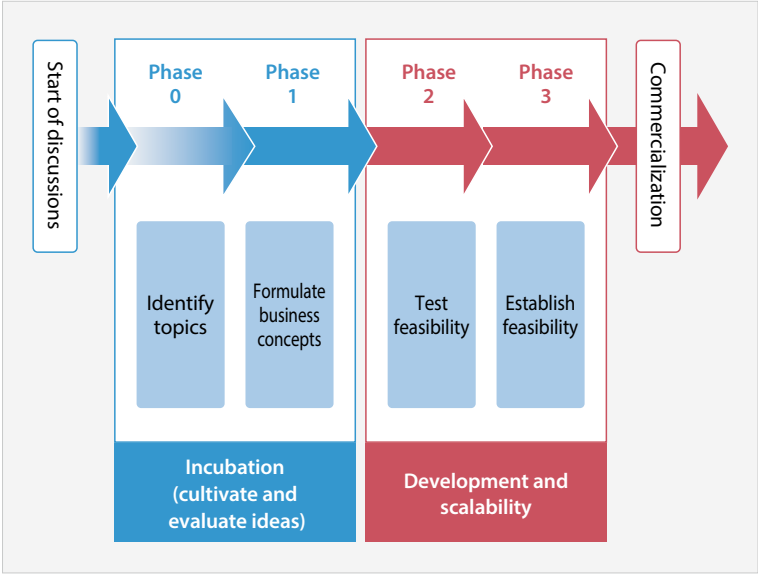
In considering projectization, the Stage-gate Management System for Corporate Research Projects was introduced in earnest in FY2019, and research projects are managed in four stages, from the idea stage to commercialization. Phases 0 and 1, the initial stages, are combined as the "incubation" stage, and Phases 2 and 3, the more advanced stages of research, are designated as the "development and industrialization" stage. We will proactively incorporate internally proposed projects in the idea stage as Phase 0. On the other hand, we clarify the requirements for passing through the gate in each phase, and determine whether or not to pass through the gate through deep discussions not only with the research division but also with the business divisions.

As a result, we can now promptly create new projects and make decisions on their discontinuation, taking into account their future potential, thereby accelerating the turnover speed of research projects.

■ Innovation Ecosystem



■ Overall Picture of the Stage-gate Management System



Intellectual Property

Basic Policy

Sumitomo Chemical has traditionally engaged in "defensive" intellectual property activities aimed at protecting its business and securing freedom of operation based on its business strategy. While continuing to value this "defensive" aspect, we are now also advancing "offensive" intellectual property activities, focusing on building a strong patent portfolio that creates competitive advantages and entry barriers against competitors.

On the other hand, addressing societal issues such as reducing environmental impact and preserving biodiversity requires "co-creation and collaboration" among various players, each leveraging their strengths to the fullest. Within this framework, our company is tackling new challenges from the intellectual property perspective, focusing on how to protect and utilize the new value generated through transformation and connect it to sustainable growth.

By actively promoting intellectual property activities that encompass "offense," "defense," and "co-creation and collaboration," we will lay the foundation for our company's business competitiveness and drive business growth and the enhancement of corporate value.

We promote intellectual property activities under the following basic policy.

Basic Policy

1. Promote activities in line with our business strategies
2. Create global business value
3. Strive to utilize all technological development accomplishments
4. Respect rights and comply with the law

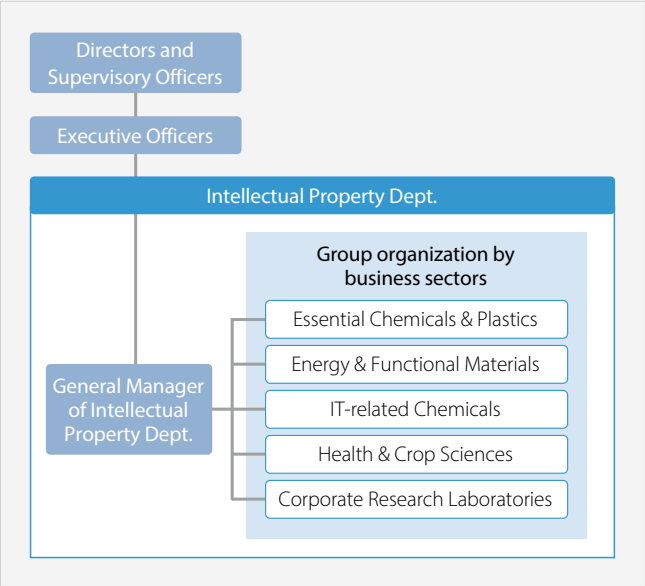
Management System

The Intellectual Property Department, under the direction and supervision of the responsible Directors and Supervisory Officers, is located within the headquarters section and operates from bases in Tokyo, Osaka, and Ehime. To conduct intellectual property activities closely aligned with our business operations, the department is organized into groups corresponding to each business sector. Each group is responsible for formulating intellectual property strategies, managing patent portfolios, handling patent applications and rights acquisition, and conducting research and analysis. These activities are carried out in collaboration with the intellectual property teams within the business divisions and laboratories.

The Company holds dialogues and makes decisions through meetings with divisions and research laboratories in each phase of intellectual property (IP) activities while developing IP consistent with business policies and strategies.

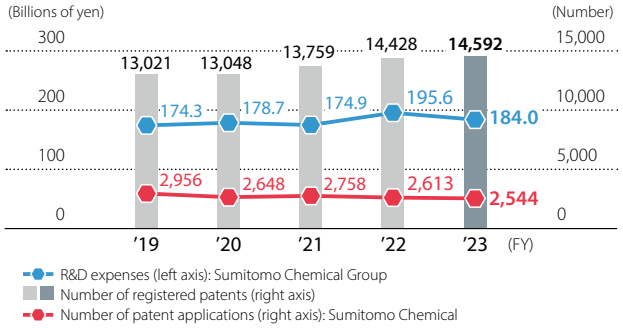
For example, with the participation of the directors in charge and supervisory officers, an IP manager meeting is held every year so that the intellectual property department, business sectors, and research laboratories can discuss planned activities and policies for the year. In addition, each business sector holds IP strategy meetings to discuss and share IP strategies aligned with their businesses. On an individual project level, we conduct IP activities consistent with our business policies and strategies through invention disclosure meetings in which discoveries up for patent are subject to preliminary discussion, overseas patent review meetings in which the pros and cons of applying for patents overseas and in which countries applications said patents should be submitted are discussed, and review meetings in which decisions to maintain or drop patents are made.

Implementation Structure Closer to the Business

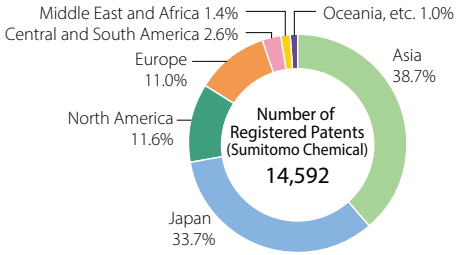


Results

Number of Registered Patents, Number of Patent Applications, and R&D Expenses

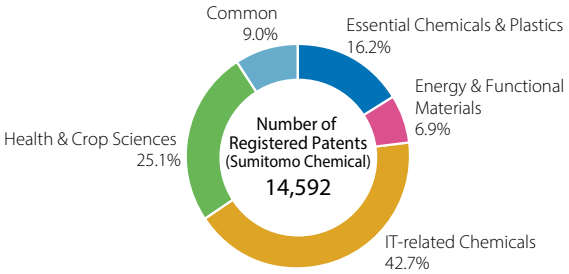


Number and Ratio of Registered Patent by Region



Note: as of April 2024

Number and Ratio of Registered Patents Held by Sector



Note: as of April 2024

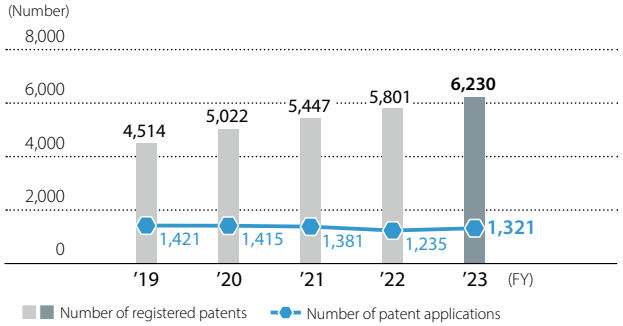
As shown in previous graphs, the Company diligently files patent applications for its accomplishments involving research and development activities based on business strategies. The Company is also building and strengthening its robust patent portfolio in line with its business size.

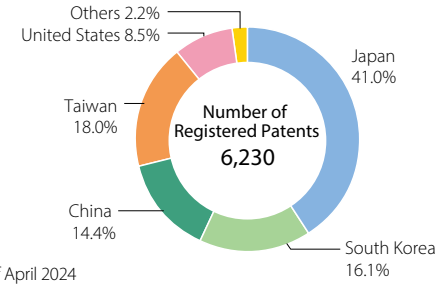
Examples of Initiatives

Building a Patent Portfolio to Bolster Our Competitive Advantages

While routinely utilizing visualization data related to IP in response to the increasingly global and complex business environment, we have formulated an IP strategy and built a patent portfolio. For example, in the ICT field, which the Company has positioned as growth driver, competition is growing even more intense in terms of IP. In the major manufacturing and sales countries and regions of Japan, South Korea, China, Taiwan, and the United States, we have maintained our competitive advantage by acquiring many high-quality patents that impact rival companies. Because the business cycle is quite fast, we utilize a rapid examination system as appropriate as we strive to swiftly build a patent portfolio in line with the speed of development.

Patent Portfolio in the ICT Sector (Top: Number of Patents Over Time, Bottom: Number and Ratio of Registered Patent by Country/Region)

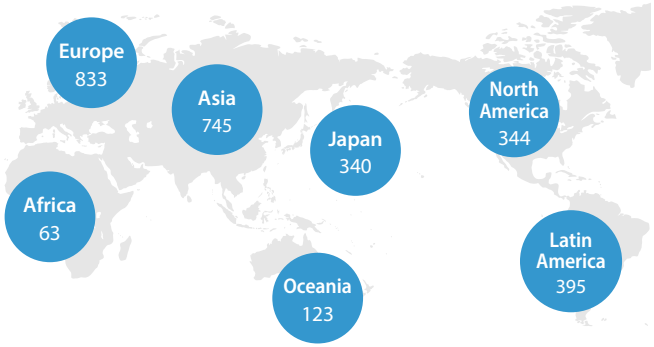




Note: as of April 2024

In the agriculture field, another of the Company's growth businesses, we have built a patent portfolio in countries around the world, especially in the top agriculture markets of the United States, South America, Asia, and Europe. We have steadily acquired substance patents for active ingredients in crop protection chemicals and placed tough barriers to entry by systematically acquiring patents for peripheral technologies related to formulations, methods, and uses while leveraging our development schedule and product lifespans. By fully utilizing the system for extending patents, we aim to maintain and expand our market share and profit margins, which will help maximize business value.

■ Number of Patents Held in the Agrochemical Sector



Note: as of April 2024

Intellectual Property Activities Contributing to GX/DX/BX

Transformation technologies, which serve as the foundation for value creation, are widely utilized across the supply and value chains. Therefore, we aim for strategic and comprehensive patent acquisition with a focus on co-creation and collaboration. In particular, in BX-related technologies, including regenerative medicine, we have already acquired around 200 patents, establishing a solid foundation for growth. Additionally, in the area of SDGs-related patents, we hold a top-tier patent portfolio among domestic general chemical companies.

Maximizing Business Value by Merging Technologies and Brands

The Company provides highly functional products and technical services that meet customer needs based on the technological prowess we have cultivated throughout our history. Our efforts have garnered us a reputation for a secure, trustworthy, and stable product supply, high quality assurance capability, and stalwart business presence. We have merged our technical capabilities and trustworthiness—two areas of strength—to help sustainably enhance the value our businesses. In addition, we have acquired patents and trademarks with the aim of maximizing business value. For example, regarding the chemical and mechanical recycling of plastics aimed at reducing environmental impact, we have steadily patented basic technologies that broadly protect the value chain and bolstered the brand power of our product lineup by attaching the Meguri® label.

In addition, under the slogan "bringing the power of nature to the world," we have established a wide range of naturally derived products, including biorationals developed using microbial cultivation technology and botanicals (plant-based ingredients) obtained using extraction technologies. Using the trademarked Natural Products symbol has enhanced brand awareness and helped promote sales.

Meguri CIRCULARITY FOR ALL
Chemical/Mechanical Recycling technology for plastic aimed at reducing environmental impact
×
Recycled plastic brand Meguri®

Natural Products
Biorational (Microbial Cultivation Technology) and Botanical (Plant Extract Research and Development Technology)
×
Naturally derived products Natural Products

Biondo
Advanced Analytical Technology and Extensive Natural Resources Data
×
Japan's first digital platform connecting buyers and sellers of natural materials

P.095 Contribute to Recycling Resources: Development of the Meguri® brand
P.177 Responsibility to Our Customers: "Natural Products" Designated Symbol

Intellectual Property Activities in "Meguri with Chemical Recycling"

While the plastics business is a mature field, plastics made from recycled materials are a critical growth area from the perspective of carbon neutrality, requiring development with new values and concepts. For example, in the PMMA chemical recycling business, various companies are involved, from resin recovery to the regeneration of resin raw material monomers, re-resinization, and sales. The first step taken by researchers and intellectual property personnel was to take a bird'seye view of the supply chain, organizing and visualizing the players and technical challenges at each layer. By comprehensively considering not only competitors but also all aspects from upstream (resin recovery) to downstream (use of recycled resin), about 20 patents were obtained, covering a wide range of the supply chain while nurturing the mindset of those involved. Based on these technologies and patents, the "Meguri" branding is also being advanced, leading to applications such as Koizumi Lighting Technology Corporation's use of recycled acrylic materials in lighting fixtures, Star Jewelry Co., Ltd.'s first-ever use of recycled acrylic materials in jewelry in Japan, and collaboration with Lumus Technology on a licensing business.

Strengthening IP Intelligence

The Intellectual Property Department, in collaboration with business divisions and research institutes, is promoting activities (IP landscape) that integrate and visualize intellectual property and market analysis to support management and business strategies. Typically, this approach is utilized for assessing the feasibility of new market entries, formulating new development themes, and evaluating the intellectual property of potential M&A partners. Notably, in our area of strength— inorganic membrane separation technology—we have begun to see successful cases where we identified and proposed potential joint research partners and customers by analyzing the supply chain from a patent perspective. This analysis led to the selection of candidate companies and discussions on collaboration within the business divisions. We will continue to actively strengthen these activities moving forward.

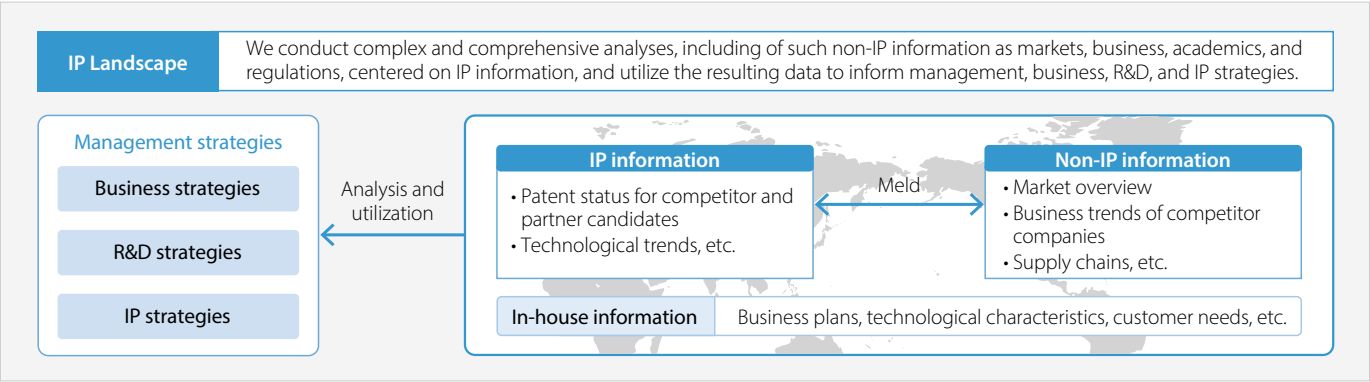
In-House Intellectual Property Training: Human Resource Development and System Building

At our company, we conduct intellectual property training tailored to different job roles and positions. For example, researchers who have been at the company for a few years receive IP training to gain an overall understanding of the IP system, inventions, discoveries, surveys, application review responses, the importance of IP in business, and other topics. The basic level has about 100 participants per year, and the practical level around 80. As for mid-career professionals, around 50 team leaders receive training every other year focused on drafting and executing IP strategies that support businesses, contracts, disputes, and data utilization. Through this training, we are working to build human resources and systems able to both strategically utilize data in a manner reflective of the IP landscape and execute practical applications.

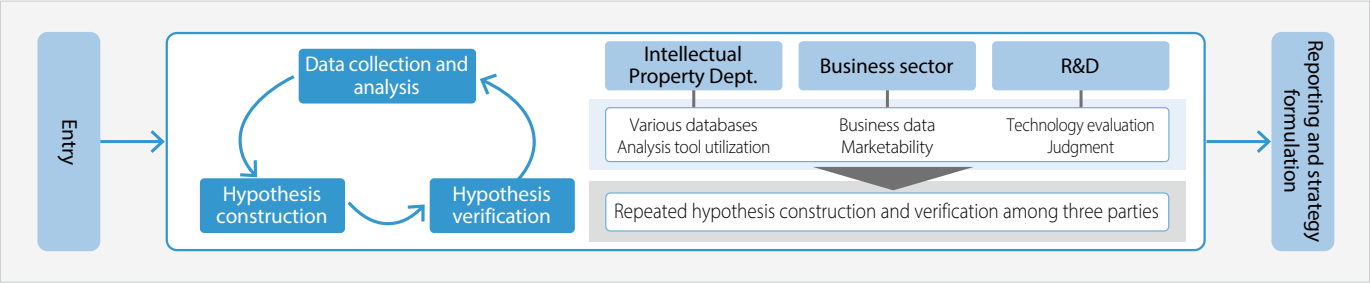
Revising the Patent Incentive System —Enhancing Incentives for Inventors

The Company has established a patent incentive system reflective of scale of business impact for patents that protect its businesses. The newly revised system incorporates tiered incentives, ranking patents in terms of contribution to competitive advantages that impact other companies. We have enhanced incentives for inventors and upgraded our system to encourage the strengthening of our patent portfolio.

■ IP Landscape Activity Outline



■ IP Landscape Process Example



Sumitomo Chemical Receives Clarivate Top 100 Global Innovators 2024™ Award – Recognized as One of the World's Top 100 Innovators for the Third Consecutive Year–

Top 100 Global Innovator 2024 Clarivate

Sumitomo Chemical has received the Clarivate Top 100 Global Innovators 2024™ Award, which is selected by Clarivate, a U.S.-based global leader in providing trusted information and insights to accelerate innovation. This was the third consecutive year we received the award. The Company was lauded for its advanced R&D capabilities and IP activities and will continue further promoting activities.

Sumitomo Chemical Receives Clarivate Top 100 Global Innovators 2024 Award (Japanese only)

https://www.sumitomo-chem.co.jp/news/detail/20240404.html

Governance

Contents

Contributing to the SDGs through Governance

Corporate Governance

Sumitomo Chemical makes continual improvements to ensure that the company's governance structures serve their appropriate functions, including with respect to executive nomination and remuneration, and that the Board of Directors is highly effective, with the aim of further improving corporate governance.

Basic Policy

Sumitomo Chemical cherishes deeply the Sumitomo Spirit which has been passed down through generations over nearly 400 years, the basic teaching of which is not to seek its own corporate interests alone, but to contribute to society through its business activities. In accord with this business credo, the Company strives to constantly take on the challenges of creating new value by capitalizing on its proprietary technologies toward achieving the Company's sustained growth while at the same time cultivating a corporate culture full of vigor and growing as a Company that earns trust from the public at large. Recognizing that highly effective corporate governance is vital to attaining these ends, the Company keeps working to further enhance its corporate governance in accordance with the following policies and principles, centering particularly on closer cooperation with shareholders and various other stakeholders, faster decision making, proper oversight of business execution, enhanced systems of compliance and internal control, and active dialogue with stakeholders.

- Sumitomo Chemical not only shall respect the rights of shareholders, but shall endeavor to provide an environment where shareholders can exercise their rights smoothly and also to ensure the effectively equal treatment of shareholders.
- Recognizing that cooperation with various stakeholders (including shareholders, employees, customers, business partners, creditors, and local communities) is essential to sustained growth, Sumitomo Chemical shall proactively work to fulfill its corporate social responsibility and strive to cultivate the corporate culture of a company that can be trusted by society.
- As part of efforts to build a foundation for constructive dialogue with stakeholders, Sumitomo Chemical shall endeavor to provide information that is highly reliable and useful to recipients.
- Sumitomo Chemical's Board of Directors shall fulfill its role and mission properly, based on their fiduciary responsibilities and accountability to shareholders and recognizing the important role of Independent Outside Directors & Auditors, through such measures as presenting appropriate corporate management policies and business strategies that have taken into account changing socioeconomic conditions, and conducting highly effective oversight over the execution of business.
- Sumitomo Chemical shall endeavor to promote constructive dialogue with shareholders with the aim of seeking to attain the Company's sustained growth and to enhance corporate value in the medium to long term.

Sumitomo Chemical Corporate Governance Guidelines

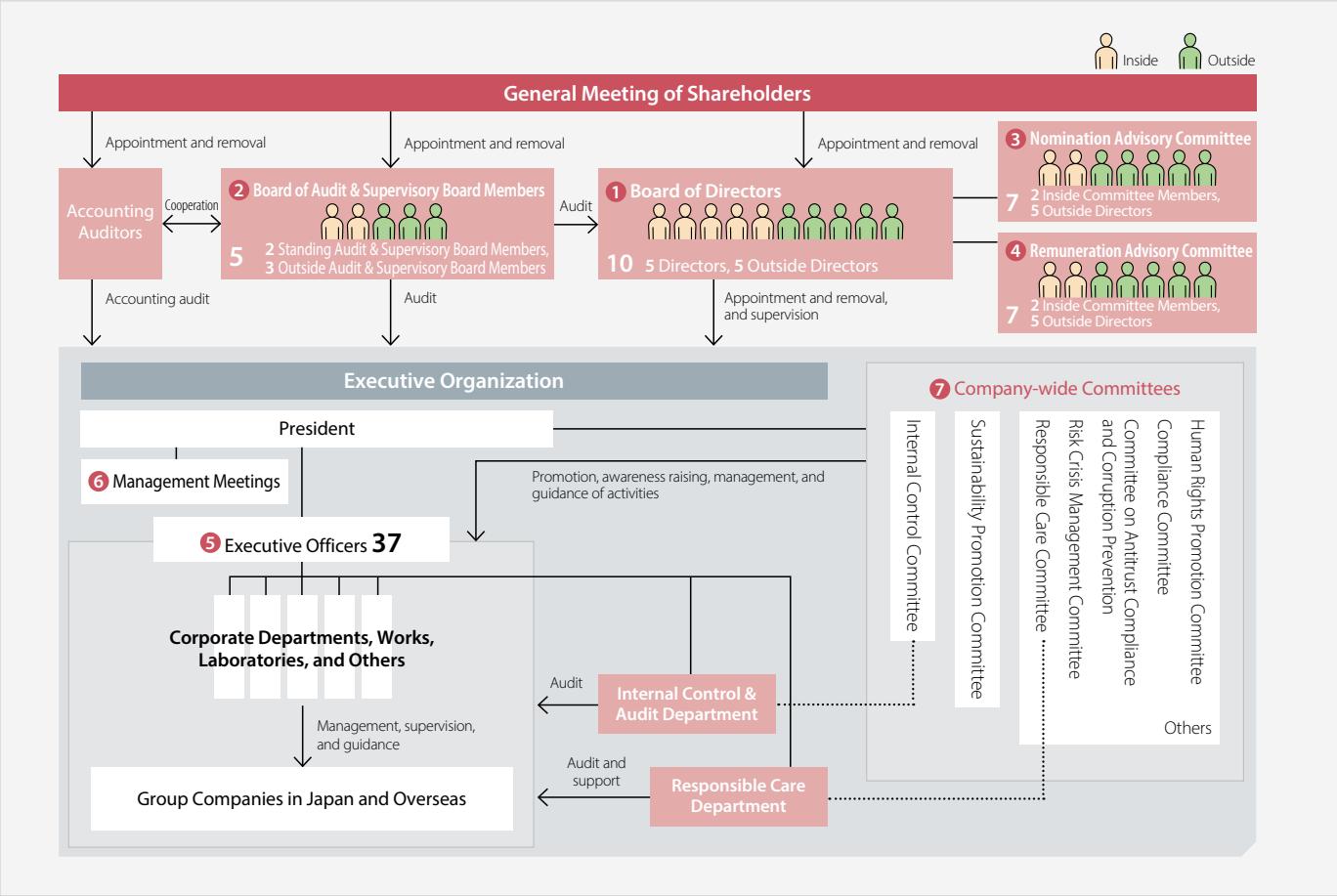
https://www.sumitomo-chem.co.jp/english/company/files/docs/governance_pdf_01.pdf

Measures to Date for Strengthening Corporate Governance

Date		Major Initiatives	Board Composition	Appointment of Board Members	Executive Remuneration	Other
2003	June	Introduced Executive Officer system (reduced number of Directors from 25 to 10)	●			●
	July	Established Compliance Committee				●
2004	June	Eliminated system of retirement benefits for Directors and Audit & Supervisory Board Members			●	
2007	May	Established Internal Control Committee				●
	September	Established Remuneration Advisory Group			●	
2010	September	Established Nomination Advisory Group		●		
2011	November	Drew up standards for appointment of Independent Outside Directors	●	●		
2012	June	Appointed 1 Outside Director	●			
2015	June	Selected 3 Outside Directors (increased by 2)	●			
	October	Established Remuneration Advisory Committee in place of Remuneration Advisory Group			●	
		Established Nomination Advisory Committee in place of Nomination Advisory Group		●		
2016	December	Formulated Sumitomo Chemical Corporate Governance Guidelines				●
2018	June	Selected 4 Outside Directors (including 1 woman) (increased by 1)	●			
2021	June	Board of Directors consisting of more than 1/3 Outside Directors	●			
2022	June	Introduction of a restricted stock compensation plan for Internal Directors and Executive Officers			●	
2024	June	Reviewed the composition of the Board of Directors and selected 5 Outside Directors (including 2 women)	●			

Corporate Governance Organization

Corporate Governance Organization (As of July 1, 2024)



1 Board of Directors

The Sumitomo Chemical Board of Directors decides important matters concerning the Company's management, including management policy and business strategies, in accordance with the law, the Articles of Incorporation, and the Board of Directors' own rules. It also receives reports from Directors and others on the performance of duties, the financial situation, and operating results, and oversees the performance of duties by each Director.

It also analyzes and assesses the effectiveness of the Board of Directors, and follows up on the results to ensure and improve effectiveness. In accordance with the Nomination Advisory Committee's advice, candidates for Director are nominated by the Board of Directors and are elected once a year at the General Meeting of Shareholders.

To strengthen the role of the Board of Directors in monitoring functions such as "management oversight" and "deliberation and evaluation of medium- to long-term management strategies and policies", we revised the membership composition of the Board of Directors in June 2024, ensuring that half of the members are Outside Directors.

Overview of the Board of Directors (FY2023 13 times held)

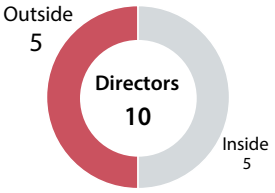
Chairperson	Chairman of the Board	The Chairman of the Board does not concurrently serve as Executive Officer.
Number of Persons	10	Outside Directors make up half of the Board of Directors.
Frequency	Monthly in principle	Special meetings of the Board of Directors are convened as needed.
The Term of Office of Directors	One year	The term of office of Directors is one year, in order to establish clear administrative responsibility and roles for Directors.

Breakdown of 10 Directors

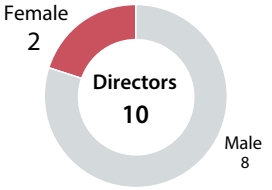
	Male	Female	Total
Inside	5	0	5
Outside*	3	2	5
Total	8	2	10

* Independent Outside Directors having no conflicts of interest with general shareholders

Ratio of outside directors: 50%



Percentage of female Directors: 20%



Major Agendas Discussed at Meetings of the Board of Directors in Fiscal 2023

- Financial results, dividends, financing
- Immediate-term, concentrated measures to improve business performance, fundamental structural reforms (including rebuild Sumitomo Pharma, review positioning of Petro Rabigh, reorganization of the petrochemical business)
- Assessment of the effectiveness of the Board of Directors
- R&D, digital innovation, IT promotion
- Internal controls, responsible care, risk management, compliance
- Sustainability-related
- Nomination, remuneration, important personnel changes
- Audit & Supervisory Board Members, accounting auditors
- Status of important investments

② Board of Audit & Supervisory Board Members (FY2023 14 times held)

We have an Audit & Supervisory Board Members system, with the Board of Audit & Supervisory Board Members consisting of five Audit & Supervisory Board Members. The Audit & Supervisory Board Members and the Board of Audit & Supervisory Board Members play a vital role in our corporate governance by auditing the performance of duties by Directors in accordance with the law and the Articles of Incorporation. The Board of Audit & Supervisory Board Members meets monthly as a rule and strives to obtain timely information, including important compliance-related information.

Standing Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and the Board of Audit & Supervisory Board Members. In conducting their audits, they receive reports and explanations as needed from the Internal Control & Audit Department, operating divisions, and accounting auditors. In addition, Standing Audit & Supervisory Board Members attend meetings of the Internal Control Committee and other important Company meetings.

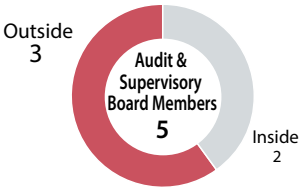
The results of audits and the objective views of Outside Audit & Supervisory Board Members are appropriately reflected in internal audits, Audit & Supervisory Board Members' audits, and accounting audits, so as to raise the effectiveness and efficiency of auditing.

The Audit & Supervisory Board Members' Office has been established with staff dedicated to providing assistance in auditing functions under the direction of Audit & Supervisory Board Members.

Breakdown of 5 Audit & Supervisory Board Members

Inside	2
Outside*	3

* Independent Outside Audit & Supervisory Board Members having no conflicts of interest with general shareholders



③ Nomination Advisory Committee

An advisory committee of the Board of Directors relating to the selection of senior management* and the nomination of Directors and Audit & Supervisory Board Members. The committee, whose members are Directors (the majority of whom are Outside Directors) makes recommendations to the Board of Directors when selecting executives, with the aim of ensuring even greater transparency and fairness in executive selection and also clarifying the process of executive selection.

* Senior management means Executive Officers above Senior Managing Executive Officer, and Managing Executive Officers who are immediately under the President, supervising certain functions.

④ Remuneration Advisory Committee

An advisory committee of the Board of Directors relating to the remuneration system and remuneration levels for Directors and Executive Officers, as well as other related issues. The committee, whose members are Directors (the majority of whom are Outside Directors) makes recommendations to the Board of Directors when determining systems for and levels of executive remuneration, among other issues, with the aim of further increasing transparency and fairness.

In addition, upon authorization by the Board of Directors, the committee determines the amount of compensation for each individual senior management and Directors in accordance with the policies for determining compensation of senior management and Directors.

Composition of the Nomination Advisory Committee and the Remuneration Advisory Committee and Attendance Status (Meetings Attended / Meetings Held) in Fiscal 2023

		Nomination Advisory Committee	Remuneration Advisory Committee
Chairman of the Board	Masakazu Tokura (Chairman)	3/3 times (100%)	4/4 times (100%)
Representative Director & President	Keiichi Iwata	3/3 times (100%)	4/4 times (100%)
Outside Director	Hiroshi Tomono	3/3 times (100%)	4/4 times (100%)
Outside Director	Motoshige Itoh	3/3 times (100%)	4/4 times (100%)
Outside Director	Atsuko Muraki	3/3 times (100%)	4/4 times (100%)
Outside Director	Akira Ichikawa	3/3 times (100%)	4/4 times (100%)

Activities of the Advisory Committees in Fiscal 2023

Nomination Advisory Committee	• Discussions on the composition of the Directors in June 2024 • Discussions on who shall be the officers in FY2024
Remuneration Advisory Committee	• Discussions on the remuneration levels of officers • Discussions on the bonuses of officers • Discussions on and determination of the individual remuneration and bonuses of Directors and senior management

5 Executive Officers

We have appointed Executive Officers to expedite the implementation of business operations. Executive Officers are responsible for carrying out operations in accordance with the policies adopted by the Board of Directors. The term of office for Executive Officers is one year.

■ Breakdown of 37 Executive Officers (June 2024)

	Male	Female	Total
Japanese	32	3	35
Non-Japanese	2	0	2
Total	34	3	37

6 Management Meetings

Management Meetings support decision making by management as an institution for debating such important issues as corporate strategy and capital investment, including matters to be deliberated in the Board of Directors and reports to be made to the Board. Management Meetings consist of the Executive Officers who are in charge of or who supervise key management functions, the Standing Audit & Supervisory Board Members, and the Chairman of the Board. In principle, the meetings are held 24 times a year.

7 Company-wide Committees

We have established internal meetings (committees) to deliberate on important matters concerning the management of the Company and the Group from a broad and diverse range of viewpoints. The content of these meetings is reported to the Board of Directors as needed, and the committees receive instructions from the Board of Directors in an effort to enhance business execution and oversight functions. Several of these committees are attended by the Standing Audit & Supervisory Board Members, who serve as observers, including the Internal Control Committee, the Compliance Committee, and the Responsible Care Committee.

We regard the promotion of sustainability as a core issue for the entire Group. In 2018, we established the Sustainability Promotion Committee to further strengthen our sustainability initiatives. The Responsible Care Committee also examines specific measures to address climate change and other environmental issues. To further promote initiatives related to respect for human rights, the Human Rights Promotion Committee was established in fiscal 2019.

■ Overview of Committees and Number of Meetings

Name	Details	Number of Meetings Held in FY2023
Internal Control Committee	By debating various measures to build or expand internal control systems, and monitoring their implementation status, this committee is intended to continually improve the internal control systems of the Sumitomo Chemical Group.	3
Sustainability Promotion Committee	This committee suggests measures to accelerate the Sumitomo Chemical Group's contributions to sustainability, taking in a comprehensive perspective on risks and opportunities with regard to medium- to long-term issues in the environment and society.	2
Responsible Care Committee	This committee formulates annual policies, medium-term plans, and specific measures concerning responsible care (safety, health, environment, and quality), including climate change issues.	1
Risk Crisis Management Committee	This committee deliberates on policies for specific risks and crises, such as earthquakes, wind and flood damage caused by extreme weather, pandemics, and breakdowns in public security.	1
Compliance Committee	This committee deliberates on the Group's compliance policies and action plans, and the status of the operation of the compliance system, including responses to internal reports and the results of activities.	1
Human Rights Promotion Committee	This committee promotes increasing awareness of human rights issues, and drafts and executes policies to respect human rights in the entire value chain including Sumitomo Chemical Group.	1

Note: Each committee separately held subcommittee meetings on specific important topics and secretariat meetings.

Efforts to Substantively Strengthen Corporate Governance

Changes in the Method of Operation of the Board of Directors

Sumitomo Chemical is continuously improving the operation of the Board of Directors and various corporate governance measures with the primary objectives of further strengthening the board' s monitoring functions and enhancing the transparency and objectivity of management. In particular, we place great importance on maximizing the effectiveness of Outside Directors and Outside Audit & Supervisory Board Members, and to this end, we have implemented various measures to reduce the information asymmetry between internal and outside directors. As a result of these improvements, the operation of the Board of Directors and its associated meetings is as shown in the diagram right.

Through this sort of effort for improvement, the Board of Directors has grown more active each year, and discussions have become more in depth.

A few days prior to the Board of Directors meeting

Advance briefing

Day of the Board of Directors meeting

Board of Directors
(Standard flow)

Around 8:00 Resolutions

10:00 Reports
- Head office monthly report
- Business sector monthly report
- Report on important proposals

11:15 Rotation report

12:00 End

More than 2/3 of the time in meetings of the Board of Directors is used for discussions.

Upon completion of the Board of Directors meeting

Meetings

Expanded Advance Briefings for Outside Directors and Outside Audit & Supervisory Board Members, Organic Coordination with the Board of Directors
- The roles of advance briefings and meetings of the Board of Directors have been clarified, ensuring sufficient time for discussion in the Board of Directors meeting
- The content of advance briefings, including points of discussion, are reflected in the deliberations of the Board of Directors

Report on the Summary of Internal Discussion at a Management Meeting
- Report the summary of discussions held in internal meetings for important agenda items and how the views expressed in those discussions are reflected in the agenda items

Report to Board of Directors before Deciding on a Major Proposal
- For important agenda items, such as the management direction, M&A, and other major projects, reports (including progress reports) are made to the Board of Directors from the early stages of consideration so that they can reflect the Board's intentions

Each Sector Sets Aside a Block of Time to Make Comprehensive and Systematic Reports
- Assign a sector to make a report on the overview of business, strategy, and the progress of various measures and R&D. (Main sectors of the Head Office are also subject to the assignment.)

Opportunities for Informal Discussions
- Directors and Audit & Supervisory Board Members Discussion Meetings (several times a year)
- Study Sessions on Important Issues for Outside Directors and Outside Audit & Supervisory Board Members (several times a year)
- Discussion Meetings between Outside Directors, Outside Audit & Supervisory Board Members and the Heads of Key Group Companies (several times a year)
- Discussion Meetings for Outside Directors and Outside Audit & Supervisory Board Members Only (twice a year)
- Discussion Meetings between Outside Directors, Outside Audit & Supervisory Board Members and Key Departments (six times a year)

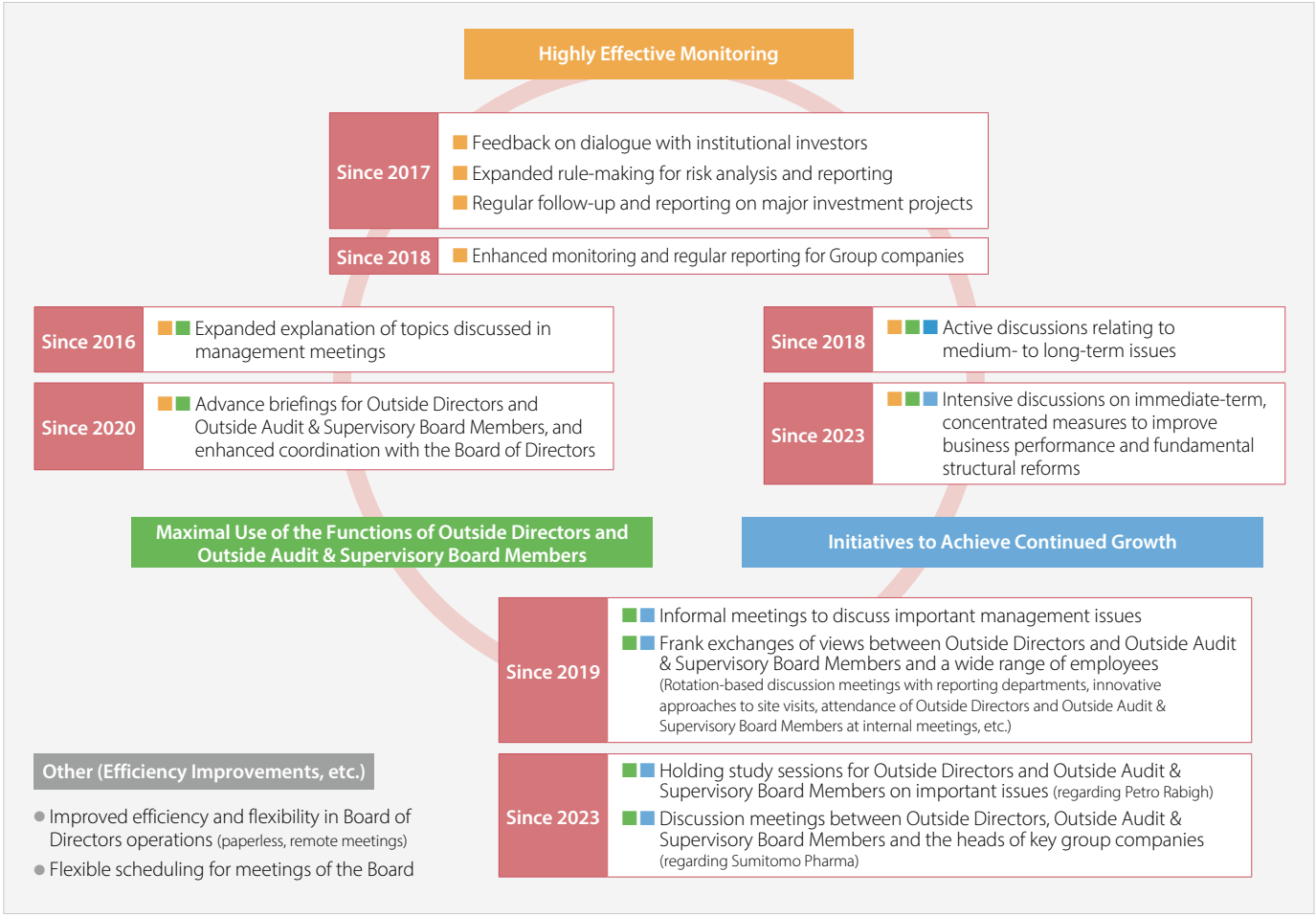
Visits to Production Sites
- Outside Directors and Outside Audit & Supervisory Board Members visit to our business offices, and Group companies outside Japan (twice a year)

Utilizing the Oversight and Advisory Functions of Outside Directors and Outside Audit & Supervisory Board Members

As a result of efforts such as reviewing the way the Board of Directors operates, Outside Directors and Outside Audit & Supervisory Board Members have expressed the view that meetings of Sumitomo Chemical' s Board of Directors feature free, frank, constructive, and lively debates. In addition, we have received numerous suggestions and advice from Outside Directors and Outside Audit & Supervisory Board Members on how to operate the Board of Directors, support systems for Outside Directors and Outside Audit & Supervisory Board Members, and various corporate governance improvement measures, during the meeting of Board of Directors as well as informal meetings of Outside Directors and Outside Audit & Supervisory Board Members relating to the assessing the effectiveness of the Board of Directors. Based on these suggestions and advice, we have implemented the following measures.

There are any number of other cases where the Company's efforts were advanced by explicit or implicit suggestions from Outside Directors and Outside Audit & Supervisory Board Members, and their monitoring and advisory functions have been a driving force for continually strengthening corporate governance at Sumitomo Chemical.

■ Example Initiatives Based on Recommendations from Outside Directors and Outside Audit & Supervisory Board Members



Assessing the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors is assessed in terms of its composition, operational status, deliberation/reports at its meetings, auditing status of its business execution, the operations of the non-mandatory Nomination Advisory Committee, Remuneration Advisory Committee, and dialogues with shareholders. The Company conducts surveys of each Director and Audit & Supervisory Board Member about their assessment of the effectiveness of the Board of Directors. Based on the results of these surveys, there is then a frank exchange of views in meetings of the Board of Audit & Supervisory Board Members, in informal meetings with Outside Directors and Outside Audit & Supervisory Board Members, and in management meetings. Afterward, the Board of Directors then conducts a review of its own effectiveness in one of its meetings based on the views expressed in the prior meetings.

Improvements over and Assessment of FY2023

With respect to the points that were indicated as "needs improvement" in the appraisal of the effectiveness of the Board of Directors in the previous fiscal year, the following matters were confirmed: (i) in regard to initiatives aimed at further enhancing corporate value, (x) the Board of Directors, through renewed discussions on "action to implement management that is conscious of cost of capital and stock price", reaffirmed the Company's basic stance of creating "economic value" and "social value" in an integrated manner as well as its commitment to continue its efforts to thoroughly implement ROI-oriented management aimed at creating economic value and to create social value such as by contributing to reduction of GHG emissions through products and technologies, and (y) externally, the page on "initiatives aimed at enhancing corporate value" was newly posted on the Company's website, and (ii) in regard to the further reinforcement of group governance, the Company invited the heads of its important subsidiaries to an informal meeting with the members of the Company's Board of Directors, which led to gaining a deeper understanding of the subsidiaries' mid-term strategies and current issues though frank Q&A sessions, etc. Furthermore, (iii) in regard to the roles to be fulfilled by the Board of Directors and the Company's corporate structure based thereon, the Company has decided to review the members of the Board of Directors with the aim of strengthening monitoring functions such as "oversight of management" and "discussions on and evaluation of mid- to long-term management strategies and policies" more than before.

Initiatives for the Future

To further enhance the effectiveness of the Board of Directors going forward, the following initiatives will be continued.

(a) Fulfillment of the Board of Directors' functions for sustainable growth

The Company has already been timely providing opportunities for information sharing and discussion on themes such as the future business operations of important group companies and direction of structural reforms. That being said, in light of the recent business environment and trends in the Company's business performance, the Company will increase the frequency and time of discussions more than before by holding extraordinary Board of Directors meetings and informal meetings, etc. in a flexible manner so as to engage in more in-depth discussions on, among other things, the feasibility and risks of the business plan and speed up the decision making process.

In addition, the Company will make efforts to maximize shareholder value (i) by, given the renewed structure of the Board of Directors starting from June as a result of a review of its members, further enhancing discussions from the perspective of company-wide optimization and (ii) with the views of shareholders and institutional investors in mind, by engaging in fundamental structural reforms and formulation of a mid-term management plan starting in FY2025, as well as by disclosing such information in an easier-to-understand manner and having a dialogue with investors thereon.

(b) Improvement of the effectiveness of group governance

From the perspective of further improving the effectiveness of group governance, the Company will further reinforce the existing functions of audit and oversight against group companies and strengthen engagement with group companies more than before to enhance corporate value of the group as a whole. At the same time, from the perspective of mid- to long-term management strategies including business portfolios, the Company will reexamine the functions and positioning of each group company, significance of holding these companies, etc., in order to optimize the group structure.

(c) Corporate structure

Considering the abovementioned review of the members of the Board of Directors, the Company will promote the reinforcement of the monitoring function of the Board of Directors by devising operational measures such as setting of meeting agenda and methods of taking up opinions from the members of the non-director Management and through other means. In addition, the Company will continue to regularly discuss and consider its corporate structure etc., taking into account the Company's business structure and the direction of the management, among others, by utilizing opportunities of various meetings.

Policies and Procedures for Reshuffling Senior Management and Nominating Candidates for Directors and Audit & Supervisory Board Members

Appointment Policy

☐ Performance, knowledge, experience, personality, and the insight of a candidate are comprehensively considered from the standpoint of having "the right person in the right place" as well as ensuring a proper and prompt decision-making process, so as to select a person suitable for the respective duties.

☐ According to the criteria set forth by the Company, the person who has reached a certain age set for retirement will resign, in principle, upon completion of his or her tenure.

☐ For the nomination of candidates for Outside Directors and Outside Audit & Supervisory Board Members, if a candidate also serves as an executive officer of other listed companies, the number of these companies must be less than five, including our company. This rule is to ensure that the candidate can properly fulfill his/her responsibility as our Director or Audit & Supervisory Board Members.

Appointment Procedures

Candidates Selected by Representative Directors
- Representative Directors select candidates suitable for the positions of senior management, Directors and Audit & Supervisory Board Members in accordance with the Appointment Policy.

Discussion by the Nomination Advisory Committee
- The results of the nomination will be deliberated at the Nomination Advisory Committee and recommended to the Board of Directors.

Decision by the Board of Directors
- The Board of Directors will deliberate based on the advice and make a decision.

Dismissal Policy and Procedures

☐ The Board of Directors will deliberate and decide on its response if senior management commits a wrongful, inappropriate, or treasonous act, or if there is a cause that is deemed unsuitable to be committed by a member of senior management.

Remuneration (Applied to Directors and Executive Officers)

1. Basic Policy for Remuneration of Directors, etc.

(1) The remuneration of senior management and Directors (excluding Outside Directors) shall consist of Basic Compensation as fixed compensation and Bonuses and Stock Compensation as variable compensation. In addition, the remuneration for Outside Directors shall consist of Basic Compensation and Bonuses.

(2) Basic Compensation is designed according to roles and responsibilities as basic remuneration for the performance of duties, so that the actions of senior management and Directors are not aimed at short-term or sub-optimal effects.

(3) The amount of Bonuses shall largely reflect the Company's consolidated financial results for a fiscal year in order to heighten short-term incentives to achieve the annual targets of business plans.

(4) Stock Compensation is designed to promote further value sharing with shareholders and serve as a medium- to long-term incentive for the continuous growth of the Company.

(5) The remuneration shall be set at levels which are designed to be objectively competitive to attract and retain outstanding talent while comprehensively taking into consideration such factors as the scale and content of the Company's business and external evaluations of ESG and other non-financial factors. Based on surveys by a third-party organization and other materials, such levels shall be checked annually whether or not to be objectively appropriate.

(6) When the consolidated performance target (core operating income) for the original final fiscal year of the Corporate Business Plan (FY2022 – FY2024) is achieved, the remuneration of Directors (excluding Outside Directors) shall be designed so that the ratio of fixed compensation to variable compensation is approximately 1 to 1 and the ratio of short-term incentives (Bonuses) to medium- to long-term incentives (Stock Compensation) in variable compensation is approximately 7 to 3.

2. Mechanisms of each remuneration element

(1) Basic Compensation

The level of Basic Compensation shall be determined based on the policy described in **1.** (5) to (6) on the previous page.

While Basic Compensation for each year shall be fixed, the Company will adopt a mechanism where the Basic Compensation level would be changed in the event where the Company's position has changed in terms of "growth," "earnings capacity," and "outside evaluations" from a comprehensive and medium- to long-term perspective.

As main indicators for determining the change in the Company position, the Company will apply the following: 1) in terms of "growth," sales revenue, total assets and market capitalization, 2) in terms of "earnings capacity," net income (attributable to the parent company), ROE, ROI and D/E ratio, and 3) in terms of "outside evaluations," credit ratings and ESG index selected by the GPIF (Government Pension Investment Fund).

The amounts to be paid to each person will be determined in accordance with the base amount set by each position.

(2) Bonuses (short-term incentive)

Bonuses shall be paid on the condition that performance for that fiscal year exceeds a particular level and shall be determined based on the bonus calculation formula.

In order to reflect the current earnings capacity of the relevant business year (including financial activities) to the amount of bonuses, the Company will apply the combined value of consolidated core operating income and financial profit and loss to the performance indicator concerning the bonus calculation formula. In addition, the Company will set the coefficient of the calculation formula so that it will get larger as the position of a person gets higher.

Bonus calculation formula

Consolidated performance indicator (Core operating income + financial profit and loss)	×	Coefficient

(3) Stock Compensation (medium- to long-term incentive)

Stock Compensation shall be restricted stock compensation. Restricted stocks shall be allocated at a certain time after the ordinary general meeting of shareholders each year according to the amount determined for each position, and it shall be obligatory to hold the stocks during the term of office. In addition, the Company shall set the ratio of stock Compensation to total remuneration so that it will get larger as the position of a person gets higher.

Overview of restricted stock compensation plan

(1) Transfer restriction period

Until the retirement from the position of Director and Executive Officer not concurrently serving as a Director at the Company

(2) Removal of transfer restrictions

On the condition that the eligible person continuously served as a Director or Executive Officer not concurrently serving as a Director at the Company during his or her terms of office, the Company shall remove transfer restrictions on all allotted shares when the transfer restriction period ends.

However, a) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company before the end of his or her term of office owing to a justifiable reason, or b) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company after the end of his or her term of office, but before the end of the transfer restriction period for any reason other than justifiable cause, the Company shall reasonably adjust the number of allotted shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary.

(3) Conditions for forfeiture of shares

If the eligible person is found to be in material violation of any law, regulation or internal rule, all allotted shares, including those whose transfer restrictions have been removed, shall be forfeited (the Company shall acquire them without consideration).

3. Procedures for determining remuneration of Directors, etc.

The remuneration amount of Directors shall be set at a level not higher than the upper limit of a total remuneration prescribed by the resolution of the 125th General Meeting of Shareholders held on June 23, 2006 (i.e., 1.0 billion yen or less per year). Furthermore, the amount of remuneration to be paid to Directors (excluding Outside Directors) for granting restricted stock shall be determined within the upper limit of 400 million yen per year set by the resolution of the 141st Ordinary General Meeting of Shareholders held on June 23, 2022.

The Board of Directors shall deliberate on and decide the method of determining remunerations of Directors, etc., based on the advice from the Remuneration Advisory Committee. Furthermore, the individual remuneration of senior management and Directors shall be determined by the Remuneration Advisory Committee, which is authorized by the Board of Directors, in accordance with the policies for determining compensation of senior management and Directors.

■ Directors' and Audit & Supervisory Board Members' Compensation (FY2023)

(Millions of yen)

Title	Number of people	Total amount of compensation	Total amounts of compensation by type		
			Basic compensation (Fixed remuneration)	Bonuses (performance-linked remuneration)	Stock Compensation (non-monetary compensation)
Directors (Of which, Outside Directors)	14 (4)	634 (60)	505 (60)	—	129 (—)
Audit & Supervisory Board Members (Of which, Outside Audit & Supervisory Board Members)	6 (3)	122 (43)	122 (43)	—	—
Total	20	756	627	—	129

Notes:

1 The above number of persons and amount of compensation includes two Directors and one Audit & Supervisory Board Member who retired during the fiscal year under review.

2 Bonuses (performance-linked remuneration) will not be paid in light of business performance for the period.

3 Stock Compensation (non-monetary remuneration) shows the amount charged in the fiscal year under review as restricted stock compensation.

4 In light of poor business performance, the Representative Director, Chairman and Representative Director, President voluntarily returned 10% of their monthly basic compensation from November 2023 to April 2024. From May 2024 to September 2024, the monthly basic compensation of the Representative Director, Chairman and Representative Director, President will be reduced by 20%, and the monthly basic compensation of other Directors (including Outside Directors) and Executive Officers will be reduced by 5 to 10%.

Listed Company with Listed Subsidiaries

Our Thinking Regarding Listed Companies with Listed Subsidiaries

For a publicly listed subsidiary, the advantages of being publicly listed include better employee morale, enhanced ability to recruit employees, greater trust from customers, and greater influence within the industry. In addition, the parent company can expect to benefit from synergies in collaboration and cooperation with its subsidiaries. Because of these benefits, in seeking to maximize the overall corporate value of the Sumitomo Chemical Group, we think that holding listed subsidiaries is one of the effective options on premise of preserving each subsidiary's autonomy and respecting the rights of minority shareholders.

Our company is currently promoting fundamental structural reforms in response to the severe performance trends we are facing, with the aim of finding a new path to growth. We believe that establishing the best growth model for each of our listed subsidiaries is of utmost importance. Accordingly, we will review the relationships between our company and each subsidiary, including our equity holdings, in alignment with the direction of our structural reforms.

■ The Significance of Being a Listed Company with Listed Subsidiaries

Company Name	History	Position in Group	Synergies
Sumitomo Pharma Co., Ltd.	Sumitomo Chemical's pharmaceutical business began with the acquisition of the Japan Dyestuff Manufacturing Company in 1944. After being spun off as the subsidiary Sumitomo Pharmaceuticals in 1984, it merged with Dainippon Pharmaceutical in 2005 to become Sumitomo Dainippon Pharma (currently Sumitomo Pharma).	The company's core pharmaceuticals business is a pillar of Sumitomo Chemical's life sciences business, along with the agricultural chemicals business, and is a source of innovation. In the current Corporate Business Plan, it has positioned "healthcare" as one of the priority areas in making efforts for acceleration of the development of next-generation businesses, and further innovation is expected in next-generation pharmaceuticals such as regenerative medicine and cell therapies in the future.	● Research at the Bioscience Research Laboratory, which consolidates and integrates parts of the research organizations of the company and Sumitomo Chemical ● Contract Development and Manufacturing Organization in regenerative medicine and cell therapies (combines the company's expertise in regenerative medicine and cell therapy with Sumitomo Chemical's expertise in the CMO business) ● Theranostics (combines the company's antibody design technology with Sumitomo Chemical's biological mechanism analysis technology and the radioactive isotope technology of Nihon Medi-Physics) ● Having locations on Sumitomo Chemical's premises enables close collaboration in such areas as quality and production management, reducing indirect expenses ● Strengthening governance through the deployment of multiple management personnel, and promoting thorough streamlining with full group support, including financial assistance through debt guarantees.
Koei Chemical Co., Ltd.	Sumitomo Chemical invested capital in 1951 for relationship-building because the company was Sumitomo Chemical's largest customer for methanol. Thereafter, when the company ran into a financial crisis, the collaboration was strengthened in order to rebuild the company, including dispatching executives from Sumitomo Chemical.	Through production outsourcing in both directions for such items as catalysts and electronic materials based on its unique organic synthesis technologies, the company has contributed to the expansion of the Sumitomo Chemical Group's business in the field of fine chemicals.	● Optimization of the Sumitomo Chemical Group's production of active pharmaceutical ingredients and intermediates through a new multi-purpose manufacturing equipment (multi-plants) approach ● Joint research from the earliest stage into such areas as battery materials and additive agents ● Having locations on Sumitomo Chemical's Works enables close collaboration in such areas as quality and production management, reducing indirect expenses
Taoka Chemical Co., Ltd.	In 1955 Sumitomo Chemical invested capital in the company, a leader in the dye business, to strengthen its own dye business.	Through production outsourcing in both directions for such items as electronic materials and pharmaceutical and agrochemical intermediates based on its various organic synthesis technologies and numerous multi-plants, the company has contributed to the expansion of the Sumitomo Chemical Group's business in the field of fine chemicals.	● Expanded contract manufacturing of pharmaceutical and agrochemical intermediates with numerous multi-plants of the company
Tanaka Chemical Corporation	Sumitomo Chemical invested capital in the company in 2013 and began joint development of high-capacity cathode materials for automobiles. Afterwards, in light of the smooth progress in joint development work, and in light of expectations that, in line with the future growth of the environmentally friendly vehicles market, there would be significant medium- to long-term growth in the market for lithium-ion secondary batteries, the company was converted to a majority-owned subsidiary in 2016.	Through integration of the technologies relating to precursors held by the company and the findings related to cathode materials held by Sumitomo Chemical, the company accelerates joint development of new products and contributes to the full-scale market entry and expansion of the Sumitomo Chemical Group's cathode materials business.	● Contribute to a drastic rationalization of the manufacturing process and optimization of research and development through integration of the technologies of both companies ● Sumitomo Chemical's capital investment and guidance has improved the company's management level in such areas as labor accidents and internal control

Building an Effective Governance System

When Sumitomo Chemical and its listed subsidiaries jointly work on maximizing Group synergy, Sumitomo Chemical respects independent decision making by listed subsidiaries and, at the same time, makes its best efforts to establish an effective governance system in order to avoid any conflicts of interests with minor shareholders.

With respect to the listed subsidiaries, we are taking the following measures to ensure appropriate supervision of such areas as transactions with the parent company and nomination of officers and remuneration of officers, from an independent and objective position.

- Electing a sufficient number of Outside Directors.
- Establishing committees for nomination of officers and remuneration of officers, the majority of the members of which are Outside Directors.
- Establishing and reliably operating committees, which aim to monitor and supervise transactions conducted between subsidiaries and the parent company and which is composed of Outside Directors only.

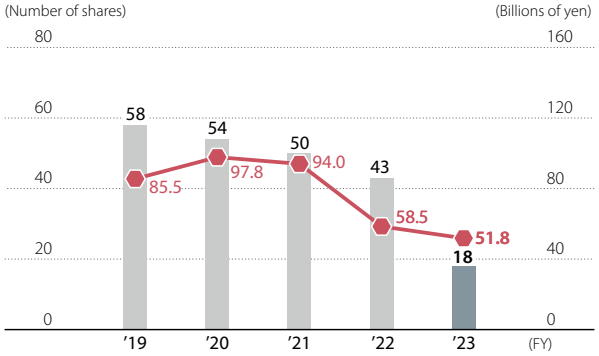
■ Design of the Organization, Composition of Outside Directors and Establishment of Non-mandatory Committees in Each Company

Company Name	Design of Organization	Composition of the Board	Non-mandatory Committees Established	
		Ratio of Outside Directors	Nomination/Remuneration	Monitoring and Supervision of Such Areas as Transactions with the Parent Company
Sumitomo Pharma Co., Ltd.	Company with Board of Audit & Supervisory Board Members	50% (4/8)	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Koei Chemical Co., Ltd.	Company with Audit and Supervisory Committee	40% (4/10)	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Taoka Chemical Co., Ltd.	Company with Audit and Supervisory Committee	33% (4/12)	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Tanaka Chemical Corporation	Company with Audit and Supervisory Committee	57% (4/7)	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies

Cross-Shareholdings

Sumitomo Chemical strategically holds shares in other companies only when judged necessary for ensuring smooth business operation or maintaining and enhancing mutual business relations, after such factors as medium- to long-term economic rationality and prospects of future business developments have been considered as a whole. Also, at the Board of Directors meeting, each year, we shall assess our shareholding policy for all listed shares we own, in light of medium- to long-term economic rationality and significance to hold such shares for each individual issuer. According to such review, if it becomes less necessary to hold a share by reason of changes in the business environment, etc., we shall sell such shares, as appropriate, taking into consideration such factors as the share price and market trends. Continuing from the prior year, we sold a portion of these shareholdings (around ¥41.0 billion) in FY2023.

■ Cross-Shareholdings at the end of the fiscal year



Note: Excluding shares of unlisted companies

Directors & Senior Management (As of July 1, 2024)

Board of Directors

■ Number of shares held (as of March 31, 2024) ■ Attendance at Board of Directors meetings for fiscal 2023 (Attendance rate)

Masakazu Tokura
Chairman of the Board

Birth Date: July 10, 1950
■ 393,417
■ 13/13 times (100%)

1974 Joined Sumitomo Chemical Co., Ltd.
2000 General Manager, Corporate Planning & Coordination Office
2003 Executive Officer
2006 Managing Executive Officer
2008 Representative Director & Managing Executive Officer
2009 Representative Director & Senior Managing Executive Officer
2011 Representative Director & President
2019 Chairman of the Board (current)
2021 Chairman, KEIDANREN (Japan Business Federation) (current)

Keiichi Iwata
Representative Director & President

Birth Date: October 11, 1957
■ 297,617
■ 13/13 times (100%)

1982 Joined Sumitomo Chemical Co., Ltd.
2004 General Manager, Planning & Coordination Office, IT-related Chemicals Sector
2010 Executive Officer
2013 Managing Executive Officer
2018 Senior Managing Executive Officer
2018 Representative Director & Senior Managing Executive Officer
2019 Representative Director & President (current)

Hiroshi Ueda
Representative Director

Birth Date: August 5, 1956
■ 201,604
■ 13/13 times (100%)

1982 Joined Sumitomo Chemical Co., Ltd.
2006 Director, Process Production Technology Center
2008 Associate Officer
2009 Executive Officer
2011 Managing Executive Officer
2016 Senior Managing Executive Officer
2016 Representative Director & Senior Managing Executive Officer
2018 Director & Senior Managing Executive Officer
2019 Director & Executive Vice President
2024 Representative Director & Executive Vice President (current)

Hiroshi Niinuma
Director

Birth Date: March 5, 1958
■ 164,704
■ 13/13 times (100%)

1981 Joined Sumitomo Chemical Co., Ltd.
2009 General Manager, General Affairs Dept.
2010 Executive Officer
2013 Managing Executive Officer
2018 Senior Managing Executive Officer
2018 Director & Senior Managing Executive Officer
2022 Director & Executive Vice President (current)
2024 Director, Sumitomo Pharma Co., Ltd. (current)

Noriaki Takeshita
Director

Birth Date: July 23, 1958
■ 146,733
■ –/– times (– %)

1982 Joined Sumitomo Chemical Co., Ltd.
2005 Seconded to Rabigh Refining and Petrochemical Company
2010 Executive Officer
2013 Managing Executive Officer
2016 Deputy Chairman, Rabigh Refining and Petrochemical Company (current)
2017 Representative Director & Managing Executive Officer
2018 Representative Director & Senior Managing Executive Officer
2023 Senior Managing Executive Officer
2024 Director & Senior Managing Executive Officer (current)

Hiroshi Tomono
Outside Director

Birth Date: July 13, 1945
■ 0
■ 12/13 times (92%)

1971 Joined Sumitomo Metal Industries, Ltd.
2005 Representative Director & President, Sumitomo Metal Industries, Ltd.
2012 Representative Director & President & COO, Nippon Steel & Sumitomo Metal Corporation
2014 Representative Director & Vice Chairman, Nippon Steel & Sumitomo Metal Corporation
2015 Director & Advisor, Nippon Steel & Sumitomo Metal Corporation
2015 Outside Director, Sumitomo Chemical Co., Ltd. (current)
2015 Advisor, Nippon Steel & Sumitomo Metal Corporation
2016 Outside Director, Japan Nuclear Fuel Limited (current)
2020 Senior Advisor, NIPPON STEEL CORPORATION (current)
2020 Outside Director, The Kansai Electric Power Co., Inc. (current)

Motoshige Itoh
Outside Director

Birth Date: December 19, 1951
■ 0
■ 13/13 times (100%)

1993 Professor, Faculty of Economics, The University of Tokyo
1996 Professor, Graduate School of Economics, The University of Tokyo
2007 Dean, Graduate School of Economics, Faculty of Economics, The University of Tokyo
2016 Professor, Faculty of International Social Sciences, Gakushuin University
2018 Outside Director, Sumitomo Chemical Co., Ltd. (current)
2022 Outside Director, JX Nippon Mining & Metals Corporation (current)
2022 Outside Director, Hagoromo Foods Corporation (current)
2022 Outside Director, Shizuoka Financial Group, Inc. (current)

Atsuko Muraki
Outside Director

Birth Date: December 28, 1955
■ 0
■ 13/13 times (100%)

1978 Joined Ministry of Labour
2005 Counsellor for Policy Evaluation, Minister's Secretariat, Ministry of Health Labour and Welfare
2006 Deputy Director-General, Equal Employment, Children and Families Bureau, Ministry of Health Labour and Welfare
2008 Director-General, Equal Employment, Children and Families Bureau, Ministry of Health Labour and Welfare
2010 Director-General for Policies on Cohesive Society, Cabinet Office
2012 Director-General, Social Welfare and War Victims' Relief Bureau, Ministry of Health Labour and Welfare
2013 Vice Minister, Health Labour and Welfare, Ministry of Health Labour and Welfare
2015 Retired from Ministry of Health Labour and Welfare
2018 Outside Director, Sumitomo Chemical Co., Ltd. (current)

Akira Ichikawa
Outside Director

Birth Date: November 12, 1954
■ 0
■ 13/13 times (100%)

1978 Joined Sumitomo Forestry Co., Ltd.
2010 Representative Director & President, Sumitomo Forestry Co., Ltd.
2020 Representative Director, Chairman of the Board, Sumitomo Forestry Co., Ltd. (current)
2021 Outside Director, Konica Minolta, Inc. (current)
2022 Outside Director, Sumitomo Chemical Co., Ltd. (current)

Yumiko Noda
Outside Director

Birth Date: January 26, 1960
■ 0
■ –/– times (– %)

1982 Joined Bank of America Corporation Tokyo Branch
1996 Deputy General Manager (Head of Structured Finance Department), London Branch, The Long-Term Credit Bank of Japan, Limited
2000 Partner (Head of PPP (Public Private Partnership) and Privatization), PwC Financial Advisory Services Co., Ltd. (Currently PwC Advisory LLC)
2007 Deputy Mayor, Yokohama City
2011 Partner (Head of PPP and Infrastructure Asia-Pacific), PwC Advisory Co., Ltd. (Currently PwC Advisory LLC)
2017 President and Representative Director, Veolia Japan K.K. (Currently Veolia Japan GK)
2020 Chairman and Representative Director, Veolia Japan GK (current)
2023 Outside Director, Mizuho Financial Group, Inc. (current)
2024 Outside Director, East Japan Railway Company (current)
2024 Outside Director, Sumitomo Chemical Co., Ltd. (current)

Audit & Supervisory Board Members

■ Number of shares held (as of March 31, 2024) ■ Attendance at Board of Directors meetings for fiscal 2023 (Attendance rate) ○ Attendance at Board of Audit & Supervisory Board Members meetings for fiscal 2023 (Attendance rate)

Kunio Nozaki
Standing Audit & Supervisory Board Member

Birth Date: October 29, 1956
■ 95,200
■ 13/13 times (100%)
○ 14/14 times (100%)

1979 Joined Sumitomo Chemical Co., Ltd.
2002 General Manager, Finance & Accounting Office
2007 Executive Officer
2009 Managing Executive Officer
2014 Senior Managing Executive Officer
2014 Representative Director & Senior Managing Executive Officer
2018 Director & Senior Managing Executive Officer
2019 Director
2019 Standing Audit & Supervisory Board Member (current)

Hironobu Nishi
Standing Audit & Supervisory Board Member

Birth Date: August 3, 1965
■ 11,100
■ 10/10 times (100%)*
○ 10/10 times (100%)
* Appointed in June 2023

1988 Joined Sumitomo Chemical Co., Ltd.
2011 General Manager, CSR Office
2012 Seconded to Sumitomo Chemical (China) Co., Ltd.
2018 General Manager, Animal Nutrition Div.
2023 Standing Audit & Supervisory Board Member (current)

Mitsuhiro Aso
Outside Audit & Supervisory Board Member

Birth Date: June 26, 1949
■ 0
■ 13/13 times (100%)
○ 14/14 times (100%)

1975 Prosecutor
2010 Superintending Prosecutor, the Fukuoka High Public Prosecutors Office
2012 Retirement as Prosecutor
2012 Registered as Attorney (current)
2013 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)

Yoshitaka Kato
Outside Audit & Supervisory Board Member

Birth Date: September 17, 1951
■ 0
■ 13/13 times (100%)
○ 14/14 times (100%)

1978 Registered as a certified public accountant (current)
2008 CEO, ShinNihon LLC
2014 Retired from ShinNihon LLC
2015 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)
2024 Outside Audit & Supervisory Board Member, Japan Petroleum Exploration Co., Ltd. (current)

Michio Yoneda
Outside Audit & Supervisory Board Member

Birth Date: June 14, 1949
■ 2,000
■ 13/13 times (100%)
○ 14/14 times (100%)

1973 Joined Bank of Japan
1998 General Manager, Sapporo Branch of Bank of Japan
2000 Retired from Bank of Japan
2000 Executive Director, Osaka Securities Exchange (Currently Japan Exchange Group, Inc.)
2003 President & CEO, Osaka Securities Exchange Co., Ltd.
2013 Director & Representative Executive Officer, Group COO, Japan Exchange Group, Inc. Director, Tokyo Stock Exchange, Inc.
2015 Resigned as Director & Representative Executive Officer, Group COO, Japan Exchange Group, Inc. Resigned as Director, Tokyo Stock Exchange, Inc.
2018 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)
2020 Outside Director, Toyo Tire Corporation (current)

Executive Officer

Name/Position	Career
Keiichi Iwata President	
Hiroshi Ueda Executive Vice President	Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Hiroshi Niinuma Executive Vice President	General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration
Noriaki Takeshita Senior Managing Executive Officer	Corporate Planning, IT Innovation
Masaki Matsui Senior Managing Executive Officer	Energy & Functional Materials Sector, IT-related Chemicals Sector
Nobuaki Mito Senior Managing Executive Officer	Health & Crop Sciences Sector
Seiji Takeuchi Senior Managing Executive Officer	Essential Chemicals & Plastics Sector, Business Development for Circular Carbon Economy
Naoyuki Inoue Managing Executive Officer	Sumitomo Chemical Asia Pte Ltd
Keigo Sasaki Managing Executive Officer	Corporate Communications, Accounting, Finance
Kenji Ohno Managing Executive Officer	Internal Control and Audit, Procurement, Logistics, Legal Dept.

Name/Position	Career
Takanari Yamaguchi Managing Executive Officer	Research Planning and Coordination Dept., Digital and Date Science Innovation Dept., Intellectual Property Dept., Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Hirokazu Murata Managing Executive Officer	Ehime Works
Koichi Ogino Managing Executive Officer	Process & Production Technology & Safety Planning Dept., Production & Safety Fundamental Technology Center, Engineering Dept., Responsible Care Dept.
Juan Ferreira Managing Executive Officer	AgroSolutions Div. – International
Shinsuke Shojima Managing Executive Officer	AgroSolutions Div. – International, Environmental Health Div., Animal Nutrition Div.
Akira Nakanishi Managing Executive Officer	Planning & Coordination Office, IT-related Chemicals Sector, Quality Assurance Office, IT-related Chemicals Sector
Masao Shimizu Managing Executive Officer	Human Resources Dept., Osaka Office Administration Dept.
Hiroaki Fujimoto Managing Executive Officer	AgroSolutions Div. – Japan
Kanako Fukuda Managing Executive Officer	Sustainability Dept.
Hiroyoshi Mukai Managing Executive Officer	Planning & Coordination Office, Energy & Functional Materials Sector
Satoshi Honda Managing Executive Officer	Electronic Materials Div., SCIOCS Div., Ibaraki Works
Yoshihiro Ino Executive Officer	Planning & Coordination Office, Essential Chemicals & Plastics Sector
Tetsuo Takahashi Executive Officer	Planning & Coordination Office, Rabigh Business, Essential Materials Div.

Name/Position	Career
Tomoyuki Hirayama Executive Officer	General Affairs Dept., External Relations Dept.
Takeo Kitayama Executive Officer	Business Development Office for Circular Carbon Economy, Resin-related Business Development Dept., Polyolefins Div., Automotive Materials Div., MMA Div.
Noriaki Oku Executive Officer	Chiba Works
Junpei Tsuji Executive Officer	Research Planning and Coordination Dept.
Toshihiro Yamauchi Executive Officer	Accounting Dept.
Kyoko Odawara Executive Officer	Environmental Health Science Laboratory
Shinichi Takemura Executive Officer	Optical Materials Div., IT-related Chemicals Research Laboratory
Tadashi Katayama Executive Officer	AgroSolutions Div. – International
Sawa Matsubara Executive Officer	Finance Dept.
Masao Inoue Executive Officer	AgroSolutions Div. – Japan, Pharma Solutions Div.
Jongchan Lee Executive Officer	Dongwoo Fine-Chem Co., Ltd.
Kazunori Itabashi Executive Officer	Planning & Coordination Office, Health & Crop Sciences Sector
Yuji Kato Executive Officer	Corporate Planning Office, Business Development
Shigenori Saito Executive Officer	Corporate Planning Office, Strategic Planning

Expertise and Experience of Directors and Audit & Supervisory Board Members

As a diversified chemical company, our management requires expertise and business experience in a variety of fields. In light of these business characteristics, the Company's Board of Directors, in principle, consists of a diverse range of members, including those with extensive knowledge and experience in corporate management, the Company's business, finance and accounting, legal, compliance, and internal controls, etc., as well as international experience.

■ Expertise and Experience of Directors and Audit & Supervisory Board Members

	Position	Expertise and Experience								
		Corporate Management	Business Strategy/ Marketing	Technology/ Research	Global	ESG/ Sustainability	Finance/ Accounting	Human Resources and Labor	Legal/ Compliance/ Internal Control	Knowledge of Other Specialized Fields
Board of Directors										
Masakazu Tokura	Chairman of the Board	●	●		●					
Keiichi Iwata	Representative Director & President	●	●		●					
Hiroshi Ueda	Representative Director & Executive Vice President		●	●						● (IT/DX)
Hiroshi Niinuma	Director & Executive Vice President					●		●	●	
Noriaki Takeshita	Director & Senior Managing Executive Officer		●		●		●			
Hiroshi Tomono	Outside Director	●		●		●				
Motoshige Itoh	Outside Director				●					● (International Economics) ● (IT/DX)
Atsuko Muraki	Outside Director					●		●	●	
Akira Ichikawa	Outside Director	●			●	●				
Yumiko Noda	Outside Director	●			●		●			
Audit & Supervisory Board Members										
Kunio Nozaki	Standing Audit & Supervisory Board Member				●		●			
Hironobu Nishi	Standing Audit & Supervisory Board Member		●		●	●				
Mitsuhiro Aso	Outside Audit & Supervisory Board Member				●	●			●	
Yoshitaka Kato	Outside Audit & Supervisory Board Member				●		●		●	
Michio Yoneda	Outside Audit & Supervisory Board Member	●				●				● (Financial Markets)

Note: In the table above, each person's main areas of expertise and experience, up to a maximum of three areas, are designated with a ●.

Internal Control

Status of the Development of the Internal Control System

Sumitomo Chemical established its Basic Policy for Enhancement of the Internal Control System by a resolution of the Board of Directors, creating a system to ensure the appropriateness of its operations as stipulated in the Companies Act.

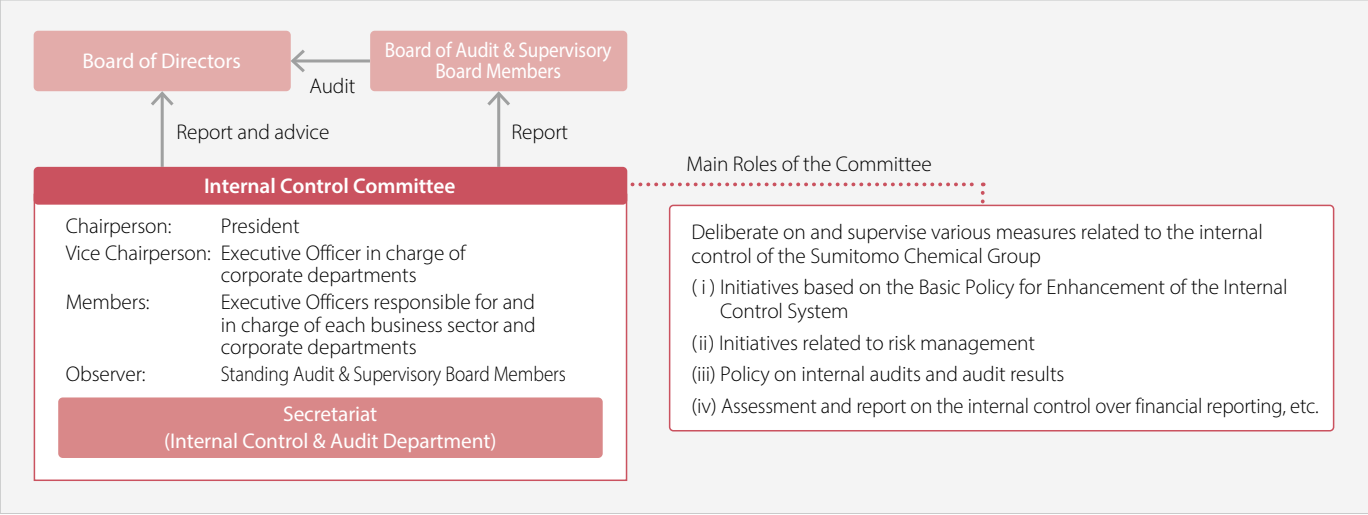
In addition, we have formed the Internal Control Committee, which is chaired by the President, consists of Executive Officers responsible for and in charge of each business sector and corporate department, and includes Standing Audit & Supervisory Board Members as observers. The committee meets three times a year to discuss and confirm plans for and the implementation status of various measures based on the basic policy described above, and continuously enhances the internal control system by swiftly and appropriately responding to changes in the surrounding business environment.

Summaries of the matters covered in the committee are reported to the Board of Audit & Supervisory Board Members after each meeting. These summaries are then reported to the Board of Directors for deliberation.

Basic Policy for Enhancement of the Internal Control System

https://www.sumitomo-chem.co.jp/english/company/files/docs/InternalControlSystem_20190329_e.pdf

■ Internal Control Committee



The Internal Structure Regarding Timely Disclosure

The Corporate Communications Department is in charge of working in conjunction with other relevant departments to continually disclose necessary information in a timely manner. In addition to items requiring disclosure under Japan's Financial Instruments and Exchange Act and under stock exchange regulations, we also actively disclose information that may be considered material to the decisions of investors. We endeavor to build stronger relationships of trust with society and capital markets by publishing documentation in accordance with the rules stipulated by the security exchanges in Japan, including reports on the Company's corporate governance philosophy and system, and notifications showing that Outside Directors and Outside Audit & Supervisory Board Members have no existing conflicts of interest with general shareholders. These documents are available on the website of Japan Exchange Group Inc.

Corporate Governance Report

https://www.sumitomo-chem.co.jp/english/company/files/docs/governance_report_e.pdf

Internal Audits

As part of its internal control monitoring activities, Sumitomo Chemical has established a dedicated organization within the Company to conduct internal audits, in addition to audits by the Audit & Supervisory Board Members and Financial Statement auditors. The Internal Control & Audit Department conducts internal audits for all matters related to the execution of operations by the Company and its Group companies, and dedicated audit teams for the Responsible Care Department conduct responsible care auditing from the perspective of safety, health and environment, and quality throughout the life cycle of chemical products. The appointment of the General Manager of Internal Control and Audit Department and Responsible Care Department are both matters to be resolved by the Board of Directors.

In case any serious matter relating to internal controls is found, the matter will be promptly reported to the Executive Officer of the relevant reporting line and the Board of Audit & Supervisory Board Members (or in the event of a finding concerning senior management, to the Board of Audit & Supervisory Board Members and the Executive Director of the Compliance Committee).

① Internal Audits

Department Conducting the Audits	Internal Control & Audit Department
Objective of Internal Audits	Evaluate whether internal controls are in place, operating, and functioning appropriately from various perspectives, including maintaining the effectiveness and efficiency of operations, ensuring the reliability of financial reporting, and complying with relevant laws and statutes in all business activities
Audit Cycle	In principle, once every 2 – 5 years for each separately audited unit
Number of Companies and Organizations Conducting the Audits (FY2023)	• Business process audits: 5 in-house organizations, 4 Group companies in Japan, 14 Group companies overseas • Information system security audits: 2 in-house organizations; 7 Group companies in Japan, 11 Group companies overseas
Sharing of Audit Results and Status of Improvements	• Reported to the Internal Audit Liaison Meeting (Held regularly, four times a year, attended by Standing Audit & Supervisory Board Members and a number of departments, including the Internal Control & Audit Department, the Responsible Care Department, the Legal Department, the Human Resources Department, the Accounting Department, and the planning & coordination offices of each business sector) • After reporting at the Internal Control Committee (Three times a year), the report is reported to the Board of Audit & Supervisory Board Members and the Board of Directors

② Responsible Care Audits

Department Conducting the Audits	Teams of dedicated auditors from the Responsible Care Department
Objective of Internal Audit	Evaluate whether internal controls relating to securing safety, health and environment, as well as maintaining and improving quality for all chemical products over their life cycle, are in place, operating, and functioning appropriately.
Audit Cycle	In principle, once every 1 – 3 years for each separately audited unit
Number of Companies and Organizations Conducting the Audits (FY2023)	12 in-house organizations, 10 Group companies in Japan, 13 Group companies overseas
Sharing of Audit Results and Status of Improvements	• Reported internally as necessary • Reported to the Responsible Care Committee (Held regularly, once a year)

Risk Management

To achieve sustainable growth, Sumitomo Chemical makes an effort to detect, at an early stage, various risks that may hinder the achievement of its business objectives, and takes proper measures. We focus on building and expanding a system relating to risk management so that we can promptly and properly address risks when they emerge.

Systems for Promoting Risk Management

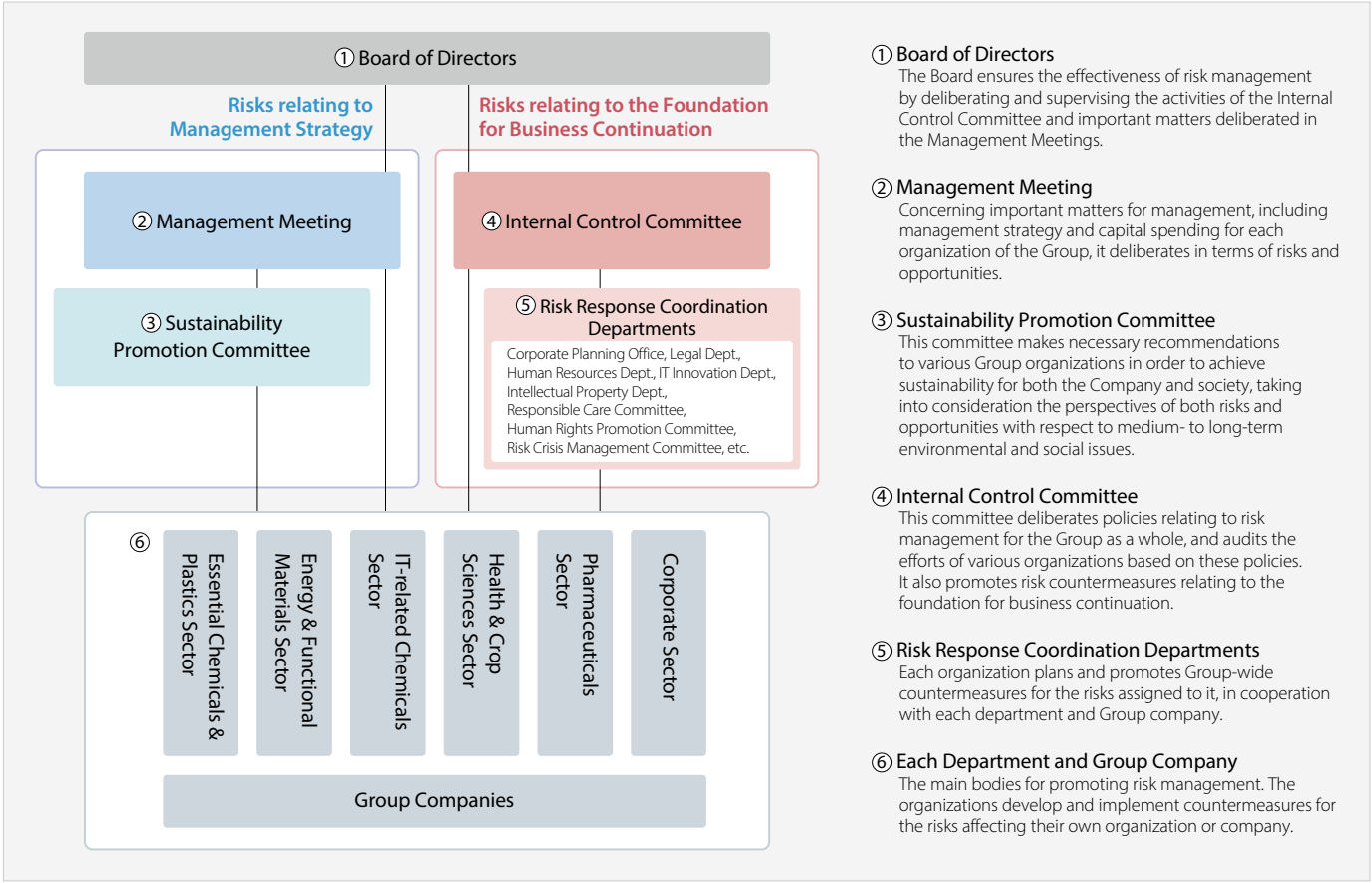
At Sumitomo Chemical, as part of its standard duties, each of the Group's organizations is taking various measures to properly manage risks associated with its business operations. In addition to this, a variety of committees work together to promote the Group's risk management.

The Internal Control Committee sets policies relating to risk management for the Group as a whole and monitors the efforts of each organization in accordance with those policies, collecting risk-related information and evaluating it, among other tasks. This committee creates a risk map for the Group as a whole each year, aiming not only to comprehensively capture the status of risks relating to management strategy and the foundation for business continuation, but also to coordinate with risk response coordination departments, promoting countermeasures for important risks relating to the foundation for business continuation, such as earthquakes, workplace accidents, and product-related accidents, on a Group-wide level.

On the other hand, the Management Committee deliberates on important management matters, including management strategies, capital investment, and investment and loans for the Company and its group companies, on a case-by-case basis, regarding risks that require consideration from both an opportunity and a risk perspective. With regard to sustainability, the Sustainability Promotion Committee* makes necessary proposals on medium- to long-term environmental and social issues to each organization of the group to ensure that the management activities of the group contribute to the realization of sustainability of society and the group itself.

Summaries of the matters covered in the Internal Control Committee and important matters deliberated in the Management Meetings are reported to the Board of Directors.

■ Diagram of Systems for Promoting Risk Management



* Outside Directors and Audit & Supervisory Board Members participate as observers

Promotion of Group-wide Priority Risk Assessment and Countermeasures

Every year, approximately 120 major organizations within both Sumitomo Chemical and Group companies around the world conduct risk evaluations using a list of risks compiled by the Company to assess the probability of occurrence and the potential impact of various risks that could hinder the achievement of business objectives and create risk maps. Based on the aggregation of these maps, a Group-wide risk map is created.

The department uses this Group-wide risk map to assess important risks that require Group-wide countermeasures and create risk management policies. As listed under the Systems for Promoting Risk Management, risk response coordination departments collaborate to promote the Group's risk management.

In addition, each organization within the Group considers risk countermeasures based on their own risk map and with reference to the Group-wide risk map. As necessary, they take countermeasures in collaboration with the Company's sectors and Risk Response Coordination.

P.060 **Risk Management:** Systems for Promoting Risk Management

Cross-organizational Risks and Crisis Response

We established the Risk Crisis Management Committee to deliberate risks and crisis response policies that affect multiple business sites, departments, and Group companies, such as large-scale disasters (earthquakes, storms, floods, etc.), pandemics, deterioration of security in Japan or overseas (terrorism, riots, wars, etc.), and other issues.

Initiatives Related to Cyber Security Threats

We are working to consider and revise our IT business continuity plan (BCP), which is a BCP for our IT systems, with an eye toward studying BCPs for cyber security threats.

Evaluating Risks and Promoting Countermeasures

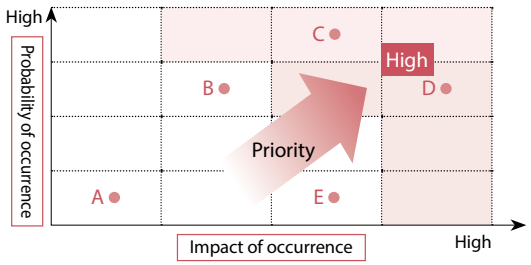
Risk Maps Created by Each Internal Department and Group Company

Each organization identifies risks critical to its own execution of duties and advances countermeasures.

Group-wide Risk Map

The Internal Control Committee identifies priority risks that require Group-wide countermeasures and advances them across the Group.

Risk Map



Identify priority risks (C, D) using risk maps that lay out the results of assessments of the probability of occurrence and degree of impact for various risks.

List of Risk Items

Risk response coordination departments have cooperated to create a list of risk items that broadly encompasses the Group's business activities, from management strategies to risks related to the fundamental drive to remain a going concern.

We revise the list every year in line with changes in internal and external conditions and the business environment. By evaluating Group-wide risks using this list, we have achieved systematic and comprehensive risk management.

Field	Example of Risks Included in the List
Business risks	Interruptions in the supply of raw materials, fuel, or products; rapid price fluctuations; industrial reforms; price competition; technological innovations; digital innovations; extreme weather events; changes in standards and rules; rapid fluctuations in demand
Political and social risks	GHG problems; plastic waste problems; terrorism; political instability, economic crises, or institutional changes in various countries and regions
Accident and disaster risks	Earthquakes, tsunamis, volcanic eruptions, typhoons, tornadoes, floods, fires, explosions, product-related accidents, environmental pollution, ground subsidence, interruptions in or restrictions of the supply of electricity, gas, water, or other utilities
Legal violation and compliance risks	Bribery, collusion, falsification, scandals, criminal behavior, competition laws violations, export control regulation violations, infringement of intellectual property rights, insider trading
Personnel and labor risks	Workplace accidents, human rights problems, mental health issues, harassment, spread of infectious or contagious diseases
Information security risks	Cyberattacks, system failures, confidential information leaks, personal information leaks
Taxation and financial risks	Tax transparency, volatility of managed assets, interest rate volatility

Risk Factors

https://www.sumitomo-chem.co.jp/english/ir/policy/risk_factors/

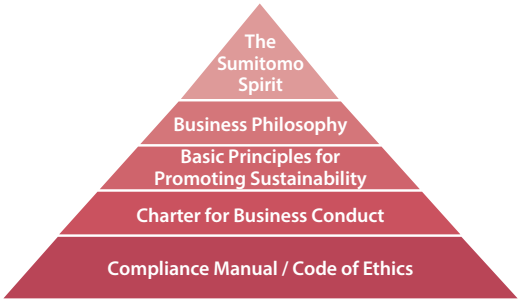
Compliance

Basic Policy

The Sumitomo Chemical Group places compliance at the bedrock of its corporate management. As we engage in business in many parts of the world, all of the companies in the Sumitomo Chemical Group are devoting earnest efforts to stay in strict compliance with not only laws and regulations, but also ethical principles in a business environment. Both the spirit and the letter of ensuring compliance in business activities have consistently been enshrined at Sumitomo Chemical ever since its founding. This unwavering resolve towards compliance is embodied succinctly in the "Sumitomo Chemical Charter for Business Conduct," which serves as the guideline of conduct for every employee to abide by and constitutes the backbone of our day-to-day compliance activities. In recent years, in particular, companies are expected to fulfill their social responsibilities more than ever before. Given the circumstances, all companies in the Sumitomo Chemical Group are making concerted efforts to further compliance activities, under the strong leadership of top management, to further enhance compliance in the Group's business activities on a global basis.

The Sumitomo Chemical Charter for Business Conduct and Code of Ethics Embody the Sumitomo Spirit and Business Philosophy

Sumitomo Chemical has established the Sumitomo Chemical Charter for Business Conduct to embody the Sumitomo Spirit, Business Philosophy, and Basic Principles for Promoting Sustainability. In addition, to better define the Charter for Business Conduct and more clearly explain it to employees, we established the Sumitomo Chemical Code of Ethics (hereinafter, "the Compliance Manual") as corporate rules and distributed it to employees.



Sumitomo Chemical Charter for Business Conduct

https://www.sumitomo-chem.co.jp/english/company/principles/charter/

Sumitomo Chemical Code of Ethics (Compliance Manual)

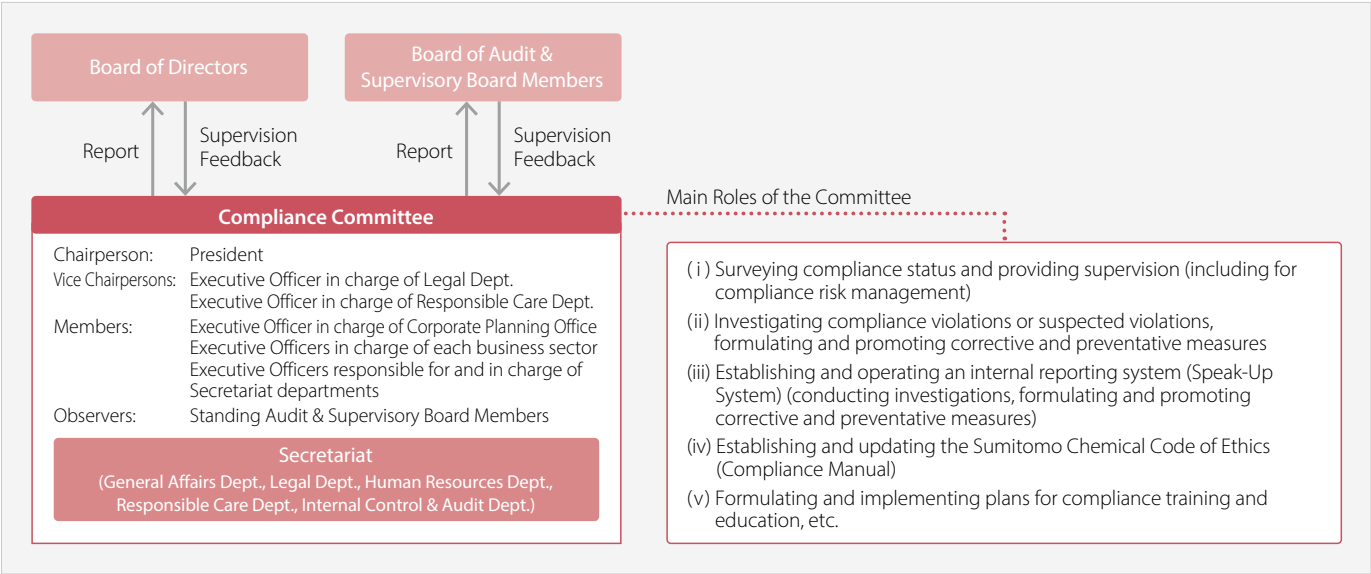
https://www.sumitomo-chem.co.jp/english/sustainability/governance/compliance/rules_society/

Compliance System at the Sumitomo Chemical Group

(1) Compliance Committee

Sumitomo Chemical has established a Compliance Committee chaired by the President and holds a Compliance Committee meeting at least once a year (or more frequently as needed). Details discussed by the committee are reported to the Board of Directors and Board of Audit & Supervisory Board Members, and the committee then receives feedback from them. The committee establishes overarching principles of compliance from a global perspective, and then works with each business sector and Group company, both in Japan and abroad, to build and operate their compliance systems locally in the required manner, according to those global principles.

■ Compliance Committee



(2) Group Compliance Structure Focused on Effectiveness "Think globally, Manage regionally, Act locally"

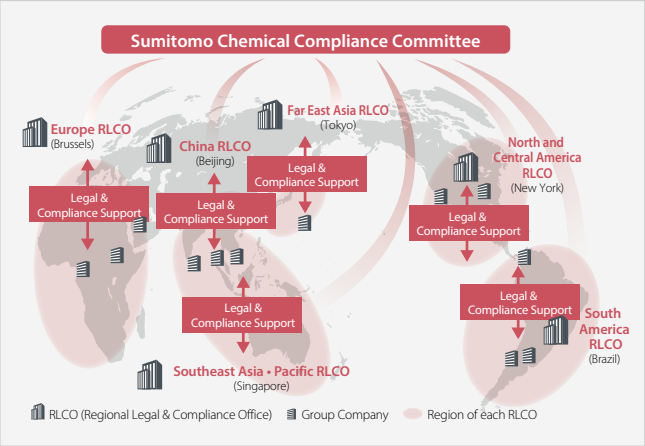
As business globalizes, it becomes more important that the operation of a corporation's compliance system be fine-tuned to situations specific to individual countries or companies. In light of this, we have established Regional Legal & Compliance Offices (RLCOs) in Sumitomo Chemical's major business regions. Grasping the concrete needs and tasks of their respective Group companies, the RLCOs provide hands-on support and guidance, such as helping Group companies set and implement necessary internal rules and procedures, building company compliance systems, and assisting in operations.

(3) Introducing and Operating a Compliance System for the Company and its Group Companies

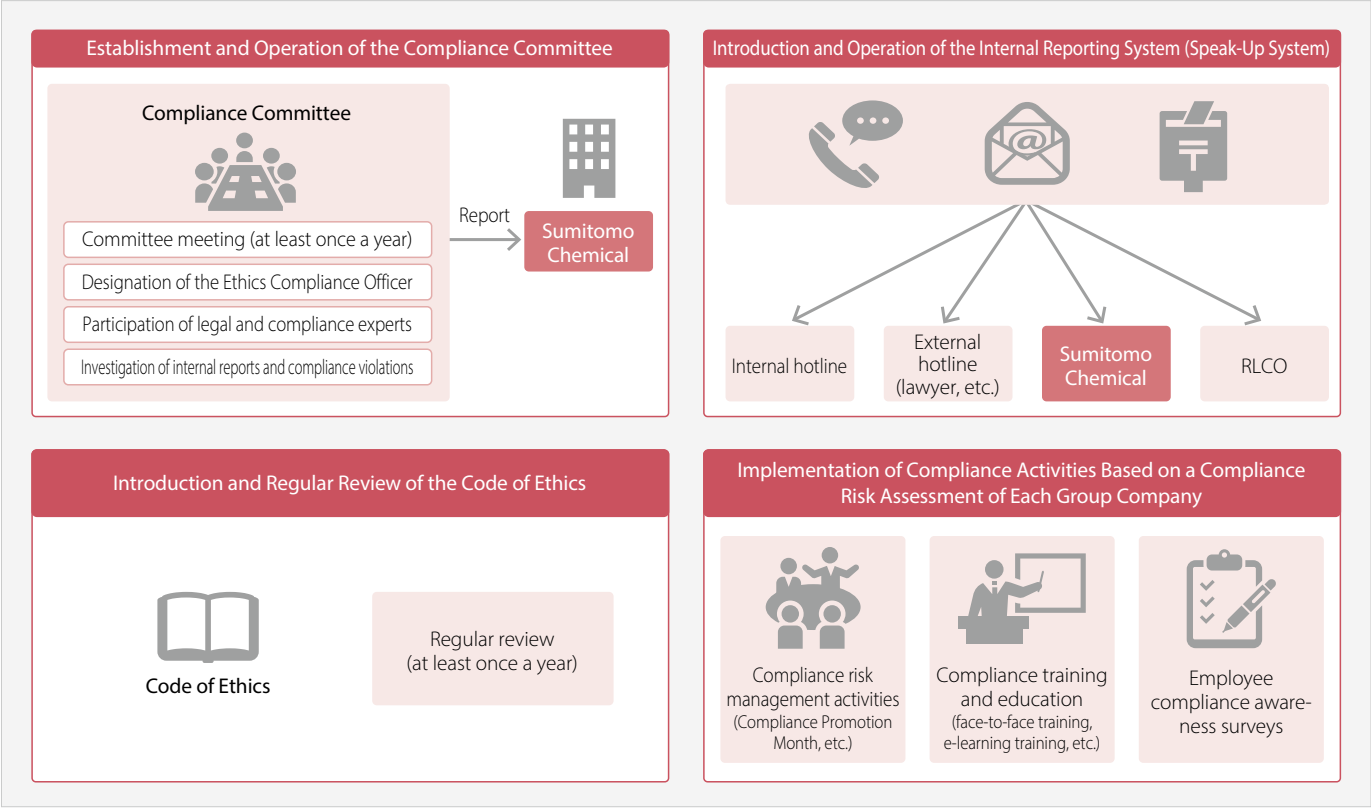
To ensure thorough compliance throughout the entire Sumitomo Chemical Group, it is important that Sumitomo Chemical and its Group companies establish and operate their own compliance systems. Accordingly, we established the Sumitomo Chemical Group Compliance Standards, which outline the compliance systems and activities that serve as our standards. In line with these standards, Sumitomo Chemical and its Group companies are engaged in the following main initiatives.

(i) Establishing and operating the Compliance Committee (including responding to internal reports and conducting compliance violation investigations)
(ii) Introducing and regularly reviewing the Code of Ethics
(iii) Introducing and operating the Internal Reporting System (the Speak-Up System)
(iv) Conducting compliance activities (education, training, etc.) based on a compliance risk assessment of each Group company

■ Compliance System at Sumitomo Chemical Group



■ Compliance System Operations



Internal Reporting System (Speak-Up System)

(1) The Internal Reporting System Is the Key to Ensuring Compliance

In order to detect any compliance violations as early as possible or to prevent them from occurring in the future, the Sumitomo Chemical Group has introduced an internal reporting system (the Speak-Up System) that allows company employees, etc., to report a compliance violation or a suspected violation, either directly to the Compliance Committee or to external lawyers. The Speak-Up System may be used by Sumitomo Chemical's management executives and employees (including contract employees) and their families, Group companies' management executives and employees and their families, retirees from the Company or Group companies, and anyone involved in the Group's businesses (including trading partners).

Furthermore, to receive Speak-Up reports without fail, Sumitomo Chemical has set up Speak-Up Reporting Hotlines to receive reports at (i) the Compliance Committees of each Group company, (ii) RLCOs, (iii) the Compliance Committee of Sumitomo Chemical, and (iv) external lawyers designated by these committees. The person reporting can choose the hotline they think most appropriate. In addition, anonymous reports are also accepted and responded to.

Notes: • Regarding reporting within the European Union, we act in compliance with the various laws and regulations of the European Union or its individual member countries.
• This Speak Up System allows any person for claims (reports) of research misconduct or research financing fraud in studies using public research funds .

(2) Guidance and Oversight by the Board of Audit & Supervisory Board Members, Including Outside Audit & Supervisory Board Members

On the grounds that Speak-Up reports given to the Compliance Committees of Sumitomo Chemical and the Group companies, as well as compliance violation incidents at each company, are also important from a governance perspective, the Board of Audit & Supervisory Board Members will regularly, or as needed for important issues, receive reports on these reports and violations, and will provide guidance and oversight. Moreover, to further enhance the independence of whistleblower responses related to top management in line with the amended Whistleblower Protection Act, whistleblower reports regarding top management are submitted only to the Board of Audit & Supervisory Board Members. The Company takes steps to respond to the report while receiving advice from and being monitored by the Board of Audit & Supervisory Board Members.

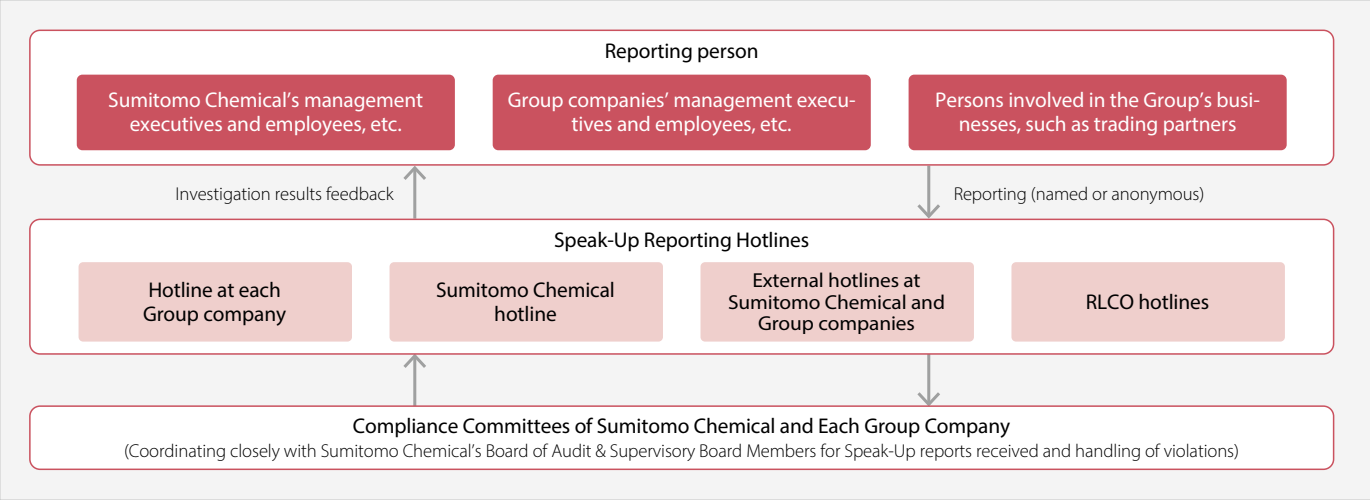
(3) Promoting Use of the Internal Reporting System (Speak-Up System)

In its Compliance Manual, Sumitomo Chemical Group makes clear that the Company carries out investigations based on the Speak-Up report with utmost consideration to protecting the privacy of a reporting person and maintaining confidentiality of information provided and that the Company doesn't put the truthful reporting person at any disadvantage, such as dismissal, transfer, or discrimination, on the grounds of having made the report. The manual also states that if someone commits a compliance violation but reports it to the Company of their own volition and cooperates with the Compliance Committee's investigation, the person is eligible for leniency regarding the disciplinary action that would ordinarily be proscribed. We are raising awareness of these facts among employees. Moreover, to ensure that the Speak-Up System functions in a truly effective manner, Sumitomo Chemical's Compliance Committee takes every opportunity to explain to employees that Speak-Up reporting will never disadvantage a reporting person. In this regard, the Committee has been working to help employees understand clearly that confidentiality about the reporting is maintained, any disadvantageous treatment to a reporting person is strictly prohibited, and leniency is possible. In addition, the Committee shares with employees information about how far the Speak-Up System is in use by employees.

(4) Latest Results of the Internal Reporting System

As a result of initiatives promoting use of the reporting system, in fiscal 2023, the total number of reports made to the Compliance Committees of Sumitomo Chemical and its Group companies (including listed companies in which the Company holds a stake of 50% or more) was 232, a year-on-year increase of 9 reports. Upon its receipt,

■ How a Report is Processed under the Internal Reporting System (Speak-Up System)



each report was worked on, and an investigation was conducted promptly and cautiously into the reported incident. If compliance violations were found or if a situation that might eventually develop into an incident of violation was recognized, corrective measures were taken properly. In addition, information on violation incidents and corrective measures actually taken was shared, as necessary, with other companies of the Group so that they could prevent similar incidents from occurring in their workplace in the future.

Number of Reports (Sumitomo Chemical Group*)

	FY2021	FY2022	FY2023
Number of reports	190	223	232

* Includes those listed companies in which the Company holds a stake of 50% or more

How to Make Use of Speak Up System

https://www.sumitomo-chem.co.jp/english/sustainability/governance/compliance/forms/

Response to Compliance Violations

At Sumitomo Chemical and Group companies, when a management executive or employee discovers a compliance violation or suspected violation, the compliance supervisor in the department promptly reports to the relevant department and the Compliance Committee. After submitting a report, an investigation is carried out, and if any compliance violation is discovered, corrective and preventive measures are formulated and rolled out not just to the offending department but to the entire Sumitomo Chemical Group to ensure a recurrence is thoroughly prevented. In addition, the Internal Control & Audit Department and the Responsible Care Department conduct audits from the perspective of compliance. When a compliance violation is discovered through these audits, corrective action is taken directly at that time. In fiscal 2023, there were no major compliance violations related to the Sumitomo Chemical Group's business continuity.

FY2023 Number of Compliance Violations (Sumitomo Chemical Group*)

	Number of Compliance Violations
Number of significant compliance violations	0
Significant violations of antitrust and monopoly legislations	0
Significant violations of anti-corruption legislations	0
Significant violations of laws or regulations in the social and economic area besides those mentioned above	0

* Includes those listed companies in which the Company holds a stake of 50% or more

Results of Main Compliance Activities in the Sumitomo Chemical Group

(1) Compliance Committee Meetings

Sumitomo Chemical and its Group companies have established Compliance Committees, which convene either regularly (at least once a year) or as appropriate. Sumitomo Chemical's Compliance Committee convened on April 18, 2024, and reported its results to the Board of Directors and Board of Audit & Supervisory Board Members, from which it received feedback.

(2) Review and Update of the Code of Ethics

Sumitomo Chemical and its Group companies regularly consider revisions to the Code of Ethics (at least once a year). After conducting a review, if there is need for an update, it is made promptly. Sumitomo Chemical conducted a review of the Code of Ethics at relevant departments. In light of these results, we updated the Code of Ethics in April 2023.

Sumitomo Chemical Code of Ethics (Compliance Manual)

https://www.sumitomo-chem.co.jp/english/sustainability/governance/compliance/rules_society/

(3) Compliance Promotion Activities

(i) Compliance Risk Management Activities (Compliance Promotion Month, etc.)

Sumitomo Chemical and some of its Group companies have designated September as Compliance Promotion Month. During this month, all employees in each workplace, including manufacturing, research, sales, and various intermediate departments, participate in discussions to examine and identify all conceivable compliance risks, major or minor, that might arise in each workplace. They then go on to select those risks that need to be specifically addressed and formulate concrete measures to prevent the risks from occurring in the future. For those preventive measures that are already in place, they review once again whether or not the measures are sufficiently effective when implemented. Continuous implementation of these measures not only reduces specific compliance risks in the workplace but also helps in raising employees' compliance consciousness.

During the fiscal 2023 Compliance Promotion Month, we held discussions about fostering workplaces that are open and where workers can speak up. Reports on these activities were submitted by each department, and an evaluation team that includes outside legal counsel objectively evaluated them. With the goal of further raising the level of compliance, we shared information on departments with positive evaluations and the details of their initiatives within the Company.

List of Essential Topics of Discussion during the Compliance Promotion Month

Fiscal Year	Essential Topics of Discussion
2016	Fraud risks
2017	Collusion and harassment
2018	Information leaks and management of company assets
2019	Compliance with business laws
2020	Environmental changes caused by the COVID-19 pandemic
2021	Possible improper cases in the processes of one's own department
2022	Information management
2023	Workplaces that are open and where workers can speak up

(ii) Compliance Training

In line with its firm belief that strict compliance can only be achieved with each employee having high awareness of compliance, Sumitomo Chemical places importance on carrying out compliance education on a continual basis. This includes training programs geared to management executives at Sumitomo Chemical and Group companies as well as class-based training when someone is promoted. In addition, we conduct face-to-face lecture-style training courses and e-learning training, depending on each company's specific needs and situation. In fiscal 2023, we conducted compliance e-learning training for all Sumitomo Chemical employees (around 7,600 people) with a 100% participation rate. In addition, Group companies in Japan conduct compliance training.

■ FY2023 Compliance Training Status

	Status of Implementation
Sumitomo Chemical	Compliance e-learning training (confidential information management and harassment prevention): 100% participation rate (conducted at all worksites and departments) (already conducted training on promoting employees and individual training related to corruption prevention, quality assurance, safety, logistics, information security, etc.)
Sumitomo Chemical Group*	Percentage of employees who received training related to compliance (attendance rate) Attendance rate at Group companies in Japan: 94.7% Attendance rate at Group companies overseas: 85.1%

* Does not include Sumitomo Chemical

(iii) Employee Compliance Awareness Survey

In order to measure the effect of the initiatives listed above, including compliance activities and training, Sumitomo Chemical and Group companies in Japan and overseas regularly conduct employee compliance awareness surveys. In fiscal 2022, Sumitomo Chemical conducted its seventh employee compliance awareness survey. In the fiscal 2023–fiscal 2024 period, Group companies in Japan and overseas conducted similar surveys. Analyses are conducted comparing Sumitomo Chemical with Group companies and Group companies with each other, a process that is intended to lead to the discovery of issues and the setting forth of measures aimed at the further improvement of compliance at each Group company.

(4) Initiatives to Respect Human Rights and Prevent Corruption

An area of our recent focus is to strengthen those initiatives which lead to respect human rights, and initiatives will more effectively serve to maintain sound business practices in companies' entire supply chains, through implementing measures to prevent corruption, such as bribes and collusion with business partners (including bribery and collusion with operators).

(5) Initiatives to Comply with Competition Laws

To fully ensure compliance with competition laws, Sumitomo Chemical has established the Committee on Antitrust Compliance and Corruption Prevention (chaired by the Company's President) to establish and manage competition law compliance systems for the entire Sumitomo Chemical Group under the guidance and supervision of the Board of Directors and Board of Audit & Supervisory Board Members. In addition, we issued the Competition Law Compliance Manual and have introduced it at Group companies in Japan and overseas in addition to actively providing training using it.

Moreover, as a general rule, we prohibit management executives and employees of business sectors from interacting with rival operators. We introduced an operator consultation system to permit such interactions only in the event that it is necessary for operations and, in such exceptional cases, that approval has been given in advance. In addition, product sales prices must always be independently set based on our own standards. To ensure this, when revising product sales prices and price formulae, the Company convenes the price deliberation committee, which determines the revisions after thorough deliberation.

■ Status of Implementation for Training Related to Competition Laws (Including Awareness Raising Activities)

	Status of Implementation
Sumitomo Chemical	Already implemented at eligible worksites and business sectors (cumulative total of 29 times since FY2018)
Sumitomo Chemical Group*	Group companies in Japan: 7 companies (implemented in FY2023) Group companies overseas: 13 companies (implemented in FY2023)

* Does not include Sumitomo Chemical

(6) Compliance Audit

As it is also important to conduct audits of whether the operations of the compliance structure and various compliance activities are being appropriately carried out in each department of Sumitomo Chemical, and in each Group company, the Internal Control & Audit Department and the Responsible Care Department conduct compliance audits. Regarding matters discovered during the compliance audits, appropriate corrective measures are taken.

P.133 Respect for Human Rights

P.070 **Anti-corruption:** Initiatives in the Supply Chain

P.075 **Responsible Care:** Responsible Care (RC) Audits

Sumitomo Chemical Group Compliance Action Policy (FY2024)

Under the Corporate Business Plan, ensuring strict compliance for the entire Sumitomo Chemical Group while maintaining safe and secure operations is a basic policy, Sumitomo Chemical vigilantly monitors and addresses issues in the following areas.

- Appropriate responses to Speak-Up and compliance violation investigations
- Compliance training and educational activities
- Compliance audits

We will steadily implement compliance promotion activities across the Group, further enhance Group compliance, and focus of efforts on addressing crossover compliance issues. In this way, Sumitomo Chemical will strengthen and improve the Group's compliance system operations and continue to further enhance its effectiveness.

FY2024 Sumitomo Chemical Compliance Action Goals

Items	FY2024 Goals	FY2023 Results	FY2022 Results	FY2021 Results
Internal Reporting*1 (Speak-Up reporting)	Regarding the number of employees per report, maintain 100% compared to the previous fiscal year (158 people per report)	158 people per report	173 people per report	226 people per report
Compliance Training	Conduct compliance training at 95% of Group companies	Sumitomo Chemical*2: 100% Group companies in Japan*3: 95.5% Group companies overseas*3: 80.4%	Sumitomo Chemical*2: 100% Group companies in Japan*3: 97.8% Group companies overseas*3: 92.5%	Sumitomo Chemical*2: 100% Group companies in Japan*3: 91.1% Group companies overseas*3: 82.0%

*1 Includes those listed companies in which the Company holds a stake of 50% or more
*2 Attendance rate (percentage of employees)
*3 Percentage of companies that conducted training

Anti-corruption

Basic Policy

As corporations expand activities across national boundaries, promoting fair competition becomes increasingly important in the supply of goods and services in the international marketplace. As is evident from the ever tightening laws and regulations in the world designed to prevent corruption, such as the FCPA in the U.S. and the Bribery Act of 2010 in the U.K., there is a growing awareness globally that corrupt conduct, such as bribery, should be eliminated by any means necessary. Under the circumstances, Sumitomo Chemical has positioned the prevention of corruption in all its forms, including bribery of public officials, excessive business entertainment and gift-giving, collusion, embezzlement, and breaches of trust as one of the most important issues in ensuring thorough compliance. We are striving to ensure a sustainable and sound corporate climate by enhancing our internal organization to appropriately respond to corruption risks to prevent the occurrence of corruption.

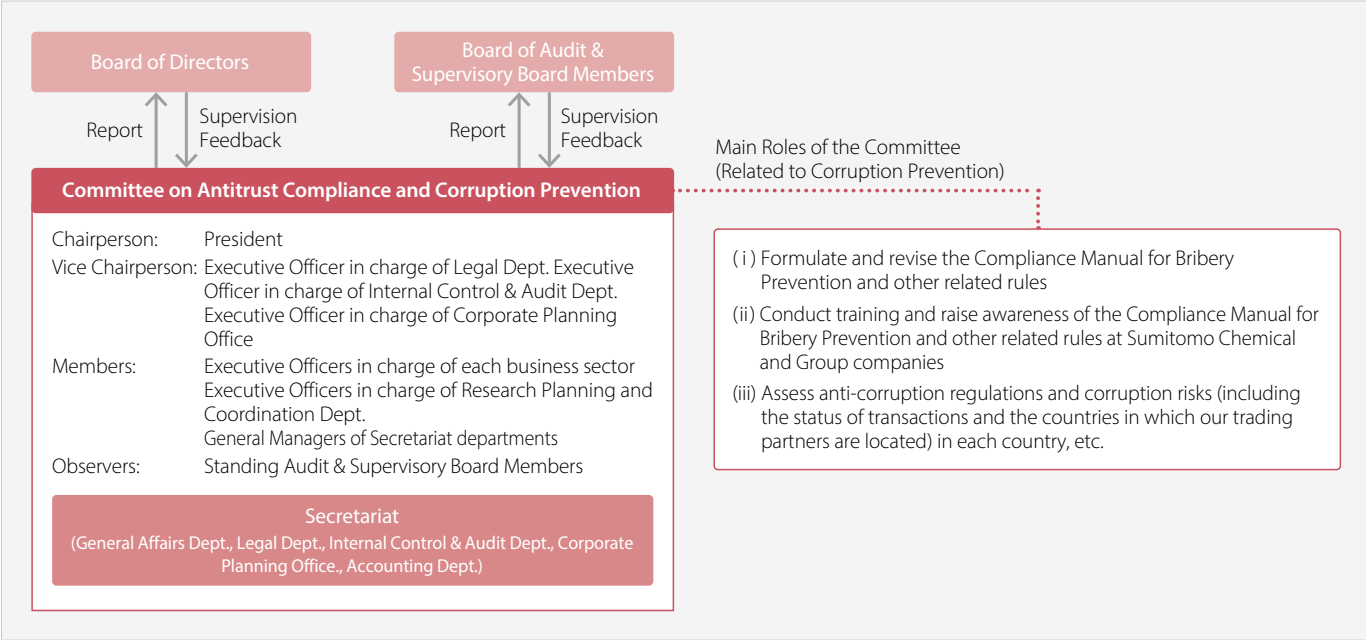
Committee on Antitrust Compliance and Corruption Prevention

Sumitomo Chemical has established the Committee on Antitrust Compliance and Corruption Prevention (chaired by the Company's President) to establish and manage anti-corruption systems for the entire Sumitomo Chemical Group under the guidance and supervision of the Board of Directors and Board of Audit & Supervisory Board Members.

In the President's own messages, the committee states its policy and commitment to prohibit all forms of corruption, including bribery of public officials by management executives or employees, excessive entertainment and gift-giving, collusion, embezzlement, and breaches of trust. In addition, we have formulated a Compliance Manual for Bribery Prevention that contains detailed anti-corruption rules. The manual has been disseminated to all Group companies in Japan and overseas, and has been posted on the Company intranet, and periodic training sessions are conducted to ensure thorough compliance among the employees of the Company and its Group companies.

Further, we conduct assessments of anti-corruption regulations and corruption risks in each country, such as the status of transactions and the countries in which our trading partners are located. Based on the results of these assessments, we decide on policies to strengthen measures to prevent corruption, and apply them to the Company and all Group companies.

■ Committee on Antitrust Compliance and Corruption Prevention



Compliance Manual for Bribery Prevention (Outline)

Chapter 1: General Principles

1. Prohibition of Giving Bribes
   It is prohibited to give bribes to a government official or to any other person or entity, including private trading partners.
2. Prohibition of Accepting Bribes
   It is prohibited to accept a bribe. In addition, it is prohibited to request a bribe or gift, entertainment, or other benefit from a third party.
3. Prohibition of Giving or Accepting Excessive Gifts or Entertainment
   It is prohibited to give or accept excessive gifts or entertainment. All forms of gifts or entertainment that may harm the Company's reputation are always impermissible.

Chapter 2: Prohibition of Bribing Government Officials

The provision of any form of improper benefit to a government official may be considered a bribe. Furthermore, various rules are put in place, including those related to the circumstances where any type of gift and entertainment to a governmental official is prohibited, procedures for sponsoring site visits by governmental officials, procedures for giving donations and political contributions, and compliance with local regulations.

Chapter 3: Rules For and During Engagement of Business Partners

It is required to conduct due diligence when the Company engages new business partners or renews engagement of existing business partners, such as agents, distributors and consultants who could interact with government officials in the course of services for the Company. It is also required to fix the appropriate compensation and to take necessary internal procedures when concluding contracts with business partners.

Chapter 4: Proper Keeping of Books and Records

It is required to prepare and maintain appropriate and accurate books and records related to entertainment, gifts, payments to business partners, and other transactions.

Chapter 5: Monitoring Legal Compliance

It is required for each department to ensure thorough compliance, for the Internal Control & Audit Department to conduct audits, and the Committee on Antitrust Compliance and Corruption Prevention to take initiatives. In addition, the Company's executives and employees are obligated to file a report when a violation (or a suspicion of one) is detected.

Chapter 6: Violations

The Company's executives and employees who commit violations of this manual are subject to disciplinary action.

Initiatives in the Supply Chain

In order to prevent corruption in the Group's supply chain, we are making our agents, consultants, distributors, and other business partners aware of our anti-corruption policy by holding regular training sessions when initially engaging or renewing a contract, or at business meetings and other occasions. We also ask our partners to pledge to comply with the policy. In addition, as part of our due diligence procedures, we ask business partners to submit written responses detailing their company's profile and any past corruption problems, and assess the risk of corruption based on these responses. Moreover, when we engage a business partner for business with a high risk of corruption, such as in a public tender transaction or in a developing country, a more detailed risk assessment is carried out, including on-site interviews with the business partner conducted by an outside expert. If it is judged that there is a risk of corruption as a result of the assessment, we conduct awareness-raising activities concerning the prevention of corruption for such business partners, asking them to implement corrective measures such as strengthening the internal rules and organization to prevent corruption, and offering our support for such efforts. (The Company does not engage business partners if the implementation of remedial measures is refused or if there is a strong concern about corruption detected through the assessment process.)

Other Measures

In addition to the above-mentioned measures, we are striving to prevent corruption through the application of internal rules on business entertainment and gift-giving, and the strict application of approval procedures for business decisions and payment.

We have also established and operate an internal reporting system (the Speak-Up System, which allows anonymous reporting) that can be used by anyone involved in our business, including business and trading partners, in order to quickly identify corruption or the threat of corruption, to prevent compliance violations from occurring, and to rectify them as soon as possible. We also inform management executives or employees of Group companies, and business and trading partners, about the use of this system.

Management executives and employees whose corrupt conduct has been confirmed are subject to disciplinary action in light of internal rules. Business and trading partners are requested to rectify such actions, and other measures are taken, such as the suspension of transactions.

Tax Transparency

Basic Policy

The Sumitomo Chemical Group considers paying taxes one of the most fundamental and important social responsibilities of a company. We comply with the tax laws applicable to each country and properly pay taxes in accord with that spirit.

The Group understands that using exceedingly beneficial tax systems in regions or countries with no or low taxes (so called tax havens) hinders the collection of proper taxes in each country. By not using tax havens with the purpose of avoiding taxes and by paying appropriate taxes in the countries and regions where it does business, the Group aims to help spur economic development in those countries and regions.

The Sumitomo Chemical Group has established the Sumitomo Chemical Group Tax Policy to ensure tax transparency and enhance tax compliance.

Management System

The Sumitomo Chemical Group Tax Policy was established to diligently implement initiatives aimed at ensuring tax compliance and transparency, and it is shared with Group companies in Japan and overseas. We comply with the tax laws of each country and region where we do business and strictly and appropriately pay taxes.

Furthermore, important tax issues and strategies are reported to regular Management Meetings and Board of Directors meetings.

Goals and Results

Corporate Income Taxes Paid

■ Tax Amounts of Sumitomo Chemical Group

(Billions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023
Tax amounts	48.7	54.4	68.3	65.5	48.3

■ FY2023 Tax Amounts by Region of Sumitomo Chemical Group

(Billions of yen)

	Japan	Overseas				Total
			East Asia	North America	Others	
Tax amounts by region	38.0	10.3	2.1	4.8	3.4	48.3

Sumitomo Chemical Group Tax Policy

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/TaxPolicy_e.pdf

P.060 Risk Management

Responsible Care

Basic Policy

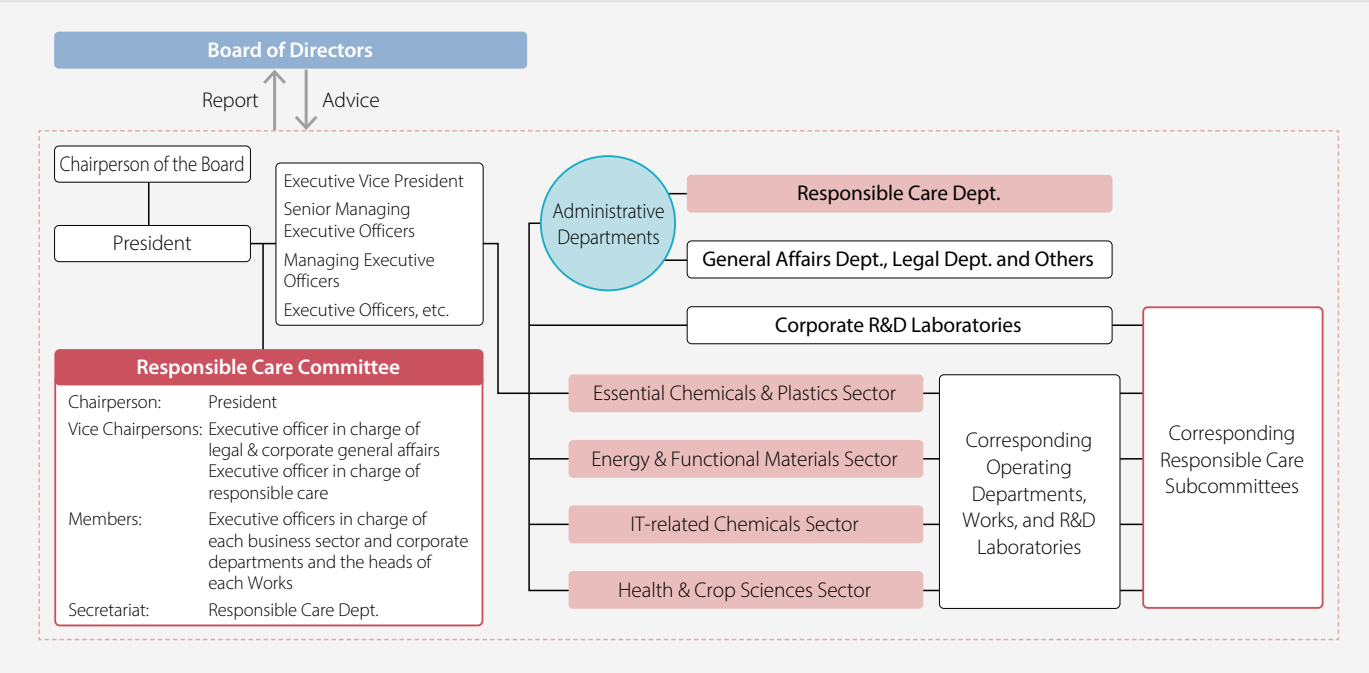
Responsible care (RC) activities refer to the voluntary initiatives undertaken by business operators in the chemical industry, with the goals of ensuring safety, health and the environment throughout the life cycle of chemical products, from development through to the manufacture, sales, use, and disposal after final consumption, maintaining and improving the quality of those products. These activities also strive to gain the further trust of society through continuous dialogue.

The Sumitomo Chemical Group has positioned responsible care activities as one of its most important management pillars. Based on the core principle of "Making safety our first priority," the Group has set goals for each of the following fields: occupational safety and health; industrial safety and disaster prevention; environmental protection; addressing climate change; product stewardship, product safety, and quality assurance; responsible care audits; and logistics. The Group is working to achieve the goals it has set.

Management System

As the body for deliberating and approving Sumitomo Chemical's RC activities, the Responsible Care Committee is chaired by the President and comprises executive officers responsible for and in charge of the administrative departments and the four business sectors of the Company, and the General Manager of each Works. The Committee puts in place annual policies on activities, medium-term plans, and specific measures as they relate to responsible care. The committee also analyzes and assesses the results of responsible care activities. The Committee then reports the content of its meetings to the Board of Directors as appropriate and receives necessary guidance in an effort to enhance its supervisory functions and the execution of its duties.

■ Organization of Responsible Care



Policies and Goals

Corporate Policy on Responsible Care
(Safety, Health, the Environment and Product Quality)

Sumitomo Chemical has set forth safety, health, the environment, and product quality as top priorities for all phases of its business activities in its Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality). This policy has been communicated to all employees of Sumitomo Chemical and its Group companies to ensure that each and every employee is fully aware of it.

Corporate Policy on Responsible Care
(Safety, Health, the Environment and Product Quality)

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/ResponsibleCarePolicy.pdf

Promoting Responsible Care Activities

Sumitomo Chemical shares policies and targets regarding RC across the entire Group. We are working to maintain stable operations with zero accidents and zero injuries as the foundation of our business, which is one of the basic policies outlined in the responsible care medium-term plan. We are also striving to ensure safety, health and the environment throughout the life cycle of products as well as to improve the quality of chemical products the Company manufactures.

At present, we have stationed responsible care specialists at regional headquarters in Europe and the Americas as well as China and the wider Asia-Pacific region. This has enabled us to develop RC activities rooted in each area. We established the Sumitomo Chemical Group's Safety Ground Rules in 2016 as a measure to further secure safety at all Group locations. We have since been working to promote awareness of the rules among all Group employees while further raising the level of Group-wide safety activities and eliminating work-related accidents. Moreover, we strive to ensure the safety of community residents and protect their environment while promoting mutual understanding by providing residents with information concerning our initiatives and engaging in dialogue.

Also, we continually work to develop human resources that are capable of implementing responsible care, for example, through training and practice at each production site and regional headquarters as well as regular meetings attended by the responsible care managers of Group companies in Japan and overseas. In addition, we publish a newsletter that covers various topics and information on accidents and disasters that have occurred within the Group in the hope of preventing similar occurrences. We also promote various kinds of RC activities through RC awards for excellent RC activities of Group companies.

	Medium-term Plan (FY2022 – FY2024)
Occupational Safety and Health	• Assess the level of safety culture and safety infrastructure at each workplace and persistently strive for improvement • Promote safety and health activities based on international standards and the utilization of DX to adapt to a new society where people can choose from a variety of flexible working styles and changes in the structure of society caused by the pandemic
Industrial Safety and Disaster Prevention	• Strive to strengthen safety infrastructure by introducing advanced technologies to improve management technologies, training highly skilled process safety personnel, and carefully managing facilities and construction projects • Strengthen our response to intensifying natural disasters and new threats, such as terrorism
Environmental Protection	• Steadfastly comply with environmental laws and regulations and promote reductions of our environmental impact • Actively work to disclose environment-related nonfinancial information to help steadily improve our standing in society while addressing new issues, such as those related to water risks and biodiversity
Addressing Climate Change	• Work to formulate and implement specific measures aimed at achieving our science-based targets (SBTs) and then updating to the SBT 1.5°C target • Sumika Sustainable Solutions deepen cooperation between departments as we strive to achieve 2024 targets
Product Stewardship, Product Safety, and Quality Assurance	• Work to address risks through use of the Company's systems, including the comprehensive chemical management system (SuCCESS), while steadily implementing a bottom-up approach, such as maintaining personnel and introducing qualification systems • Strive to enhance operational quality by fostering a quality-focused culture and promoting DX as well as promote activities to prevent quality-related problems through risk management and reduce losses arising from flaws
RC Audits	• Conduct audits to ensure thorough operation of the responsible care management system, steady improvements to its operation, and compliance with related laws and regulations
Logistics	• Work to reduce the number of logistics safety- and quality-related incidents

Note: More details on the key activities and initiative results for each field can be found in the following sections.

Eco-First Commitments

In November 2008, Sumitomo Chemical was the first diversified chemical company recognized as an Eco-First Company in the Eco-First Program promoted by the Ministry of the Environment.

In November 2021, we updated our Eco-First Commitments for the third time, reflecting new initiatives related to environmental conservation. We made a declaration regarding this to the Minister of the Environment and are promoting initiatives based on these commitments.


ECO FIRST

Eco-First Commitments Updated Version

November 29, 2021

To Tsuyoshi Yamaguchi
Minister of the Environment

President of Sumitomo Chemical Co., Ltd.
Keiichi Iwata

As a leader in the chemical industry, Sumitomo Chemical Co., Ltd. not only observes strict compliance with all relevant laws and regulations, but also works to ensure safety, environmental protection, health and product quality throughout the life cycle of chemical products. The Company also strives to gain the further trust of society through continuous dialogue, and undertakes voluntary initiatives (Responsible Care activities) to contribute to the sustainable development of society.

01 We will promote efforts toward the realization of a carbon-neutral society.

1 As a company that agrees with the Task Force on Climate-related Financial Disclosures and has acquired SBT certification, we will actively promote various measures such as low-carbon fuel conversion and energy saving to prevent global warming, and work to reduce GHG emissions.

2 In addition to 1, we will proceed with the formulation of strategies for achieving carbon neutrality by 2050 through the development of innovative technologies and products.

3 In order to contribute widely to society through the power of chemistry (business), we will actively invest in research and development of products and technologies that contribute to climate change, and carry out in-house certification. In addition, we will quantitatively grasp the GHG reduction effect of these certified products and technologies and publish information.

02 We will work to realize the circulation of plastic resources and solve the problems of plastic waste through our business, such as the provision of technologies, products, and services that can demonstrate the strengths of chemistry.

1 In collaboration with other companies and academic institutions, we will promote technological development and construction of recycling systems, and work toward further social implementation of plastic material recycling and chemical recycling.

2 We will conduct in-house education and enlightenment so that the recycling of plastic resources can be regarded as one's own responsibility and lead to changes in one's own behavior, promote the separate collection of waste in the offices and facilities, and carry out social contribution activities such as cleaning the area around the offices and facilities, including rivers and coasts (aiming to be carried out at least once a year at each office or facility). In addition, through participation in various alliances, we will collaborate with others involved in the plastic value chain and actively work to respond to a wider range of social issues.

03 We will continue to manage chemical substances and risk communication appropriately and positively.

1 We will carry out a re-inspection of the risk assessment for all chemical substances handled by our company that have completed the risk assessment based on the latest knowledge after setting priorities, and will disclose the results to the public.

2 We will collaborate with chemical companies around the world on studies of the impact of chemical substances on human health and the environment (Long-range Research Initiative), in order to continuously improve the safety of chemical substances.

3 All the offices and facilities at Sumitomo Chemical will strive to communicate effectively with and promote information disclosure to local residents and other stakeholders in creative and voluntary ways that suit the needs of the local community, and continue activities to deepen mutual understanding.

The Company will monitor the progress made in the above initiatives, make the results publicly available, and report them to the Ministry of the Environment on a regular basis.

SUMITOMO CHEMICAL

Eco-First Commitments

https://www.sumitomo-chem.co.jp/english/sustainability/governance/responsiblecare/ecofirst/

Results

◉ Very favorable/ ○ Generally favorable

Realizing a Carbon-Neutral Society

◉

Formulated a grand design to achieve carbon neutrality by 2050

- In December 2021, we formulated a grand design to achieve carbon neutrality by 2050, setting out a direction for our initiatives and goals for our activities. The Sumitomo Chemical Group*1 commits itself to reducing its greenhouse gas emissions by 50% by 2030 compared to the level of emissions in FY2013, and to achieving carbon neutrality by 2050. This target has received certification from the Science Based Targets (SBTs)*2 initiative as meeting the standard of "well below 2°C."*3 We will accelerate reductions in greenhouse gas emissions by approaching the issue from the perspectives of both obligations to bring our own greenhouse gas emissions close to zero and contributions through our products and technologies to reducing global greenhouse gas emissions.

Promoting such initiatives as fuel conversion to low-carbon fuels and energy savings

- We began supplying LNG in the Ehime region from March 2022 to facilitate a switch from coal and heavy oil to LNG and began operations of newly built LNG-fired power generation equipment from November 2022. In the Chiba region, we began operating highly efficient gas turbines from January 2024 to facilitate a switch from petroleum coke to LNG. These efforts yielded reductions in annual CO_2 emissions of around 650 and 240 thousand tons, respectively. In addition, as a part of our efforts to switch away from LNG, we have undertaken a study on taking advantage of clean ammonia.

Promoting Sumika Sustainable Solutions

- We are promoting Sumika Sustainable Solutions, which are initiatives to internally designate products and technologies that contribute to global warming countermeasures and environmental impact reduction. A total of 81 products and technologies have been designated, with combined sales of 588.7 billion yen in fiscal 2023 (consolidated). In addition, the Science-Based Contributions, which quantitatively and scientifically calculate*4 how much GHG emissions were reduced in society by utilizing the SSS-certified products and technologies that Company has sold and provided, in fiscal 2023*5 totaled 7.1 million tons of carbon dioxide equivalent (CO_2e), with technology accounting for 2.7 million and final products accounting for 4.4 million.

Realizing the Recycling of Plastic Resources and Solving Plastic Waste Problems

◉

Practical application of plastic mechanical and chemical recycling

- We set a KPI for the amount of recycled plastic resources used in manufacturing processes, targeting 200,000 tons annually by 2030.
- Regarding mechanical recycling, we are collaborating with Rever Corporation with the aim of building a circular system for recycling waste plastics that includes the whole process, from collection to sorting to recycling into useful plastic resources, and to accelerate business development for plastic recycling. Regarding chemical recycling, in February 2022, four themes related to chemical recycling technology for manufacturing chemicals using waste plastic and alcohols were selected for Green Innovation Fund Projects,*6 enabling an even greater acceleration of technological development.

Conducting social contribution activities and participating in various alliances

- Since fiscal 2020, we have continued to provide education and raise awareness to enable people to take ownership of various issues related to recycling plastic resources, such as offering original educational videos regarding the basics of recycling plastic resources for all management executives and employees in the Sumitomo Chemical Group. In addition, we work daily on separating and collecting waste at each business location. In fiscal 2023, we carried out a total of 60 social contribution activities, such as cleaning up areas surrounding our business sites and cleaning up neighboring waterways and coasts, at 15 of 16 business locations in Japan.
- We participate in the Alliance to End Plastic Waste (AEPW), which is an international alliance working to solve the plastic waste problem, and the Japan Clean Ocean Material Alliance (CLOMA), which is a domestic alliance working to solve the marine plastic waste problem. Our participation in these alliances entails cooperating with others associated with the plastic value chain to address broad social issues that would be difficult to solve alone, such as upgrading the waste collection infrastructure in countries around the world with high emissions of plastic waste.

Management of Chemical Substances and the Promotion of Risk Communication

◉

Reviewing Safety Information on Chemicals and Conducting Risk Assessments

- We publicly release safety summaries and are steadily revising the summaries. We performed risk assessments for 44 products in fiscal 2023. (https://www.jcia-bigdr.jp/jcia-bigdr/en/material/icca_material_list)

LRI*7 Initiatives

- Promoted research by actively participating in the LRI program implemented by the Japan Chemical Industry Association as a member of the steering committee and research strategy planning group.

Enhancing Information Disclosure and Risk Communication

- Published the Annual Report, Sustainability Report, the Report on the Environment and Safety (at all worksites), local PR newsletters, etc., made information publicly available on the official website, made school visits, accepted student interns, and engaged in dialogue with local residents.

*1 Sumitomo Chemical and its consolidated subsidiaries in Japan and overseas
*2 Stringent GHG emission reduction targets set by companies based on scientific principles to achieve the goals of the Paris Agreement
*3 Shared long-term global targets laid out in the Paris Agreement. Defined as holding the global temperature rise from pre-industrial levels to below 2°C and mentioning continuing efforts aimed at holding the rise down to 1.5°C
*4 Although Sumitomo Chemical works to reduce Scope 1 and 2 emissions on its own as an obligation, Science Based Contributions (SBC) are different. They visualize the contributions to reductions in society's GHG emissions that we make by providing the Company's technologies and final products to others.
*5 The SBC indicators for the selected technologies and products were calculated as follows:
Technologies: • The propylene oxide (PO)-only process is compared with the average of other manufacturing methods, including chlorine method, and the hydrochloric acid oxidation process is compared with the salt electrolysis process.
• We calculate licensees' contributions to emission reductions.
Products: • Methionine is compared with non-additive feed. We calculate contributions to the reduction of N_2O in poultry excrement.
• The Sumisoya herbicide is compared with conventional farming methods for soybean cultivation. We calculate the contribution to emission reductions from no-till farming in the United States.
• Seed treatment agents and paddy rice nursery-box treatment agents are compared with conventional farming methods. We calculate contributions to emission reductions from avoiding the use of crop protection chemicals.
*6 To realize carbon neutrality by 2050, the Ministry of Economy, Industry and Trade created a 2 trillion yen fund in NEDO. These projects continuously support companies committed to ambitious targets pertaining to everything from research and development to pilot testing and practical application over a 10-year period.
*7 Long-range Research Initiative: Long-term support for research into the effects of chemical substances on human health and the environment

Responsible Care (RC) Audits

Basic Policy

The RC audit is a management system for verifying the proper implementation of RC activities, such as ensuring safety and environmental protection, and maintaining and improving the safety and quality of chemical products. It also promotes process enhancement if areas for improvement are found in those activities.

To promote the Sumitomo Chemical Group's RC global management, RC audit activities are used to study and evaluate duties executed in the course of business and the status of management and supervision from the perspectives of compliance, effectiveness, efficiency, and credibility of financial reporting. By offering advice and proposals for improvement and rationalization through the audit activities, we can prevent compliance violations, corruption, and errors as well as protect corporate assets and enhance operational efficiency. RC audits fulfill the functions of improving management at the Company and Group companies and aid in building, maintaining, and improving the internal control system (responsible audit rules) through the following four-step approach.

Step 1: Sharing Sumitomo Chemical's Business Philosophy
Step 2: Promoting an understanding of and sharing in the Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality); RC management systems; and Group Responsible Care Standards
Step 3: Establishing and developing RC management systems at each Group company
Step 4: Carrying out modifications to the direction and adjusting levels of RC activities by undergoing RC audits

Through face-to-face communication through each of the aforementioned steps, we have successfully provided assistance so that the RC management system is set in place by taking the scale, type of business, and attributes of each Group company into consideration. Relationships built on trust with Group companies that have been nurtured through these RC audits are utilized to enhance individual support, the lively exchange of opinions, and various other initiatives aimed at resolving a wide range of issues at Group companies.

Management System

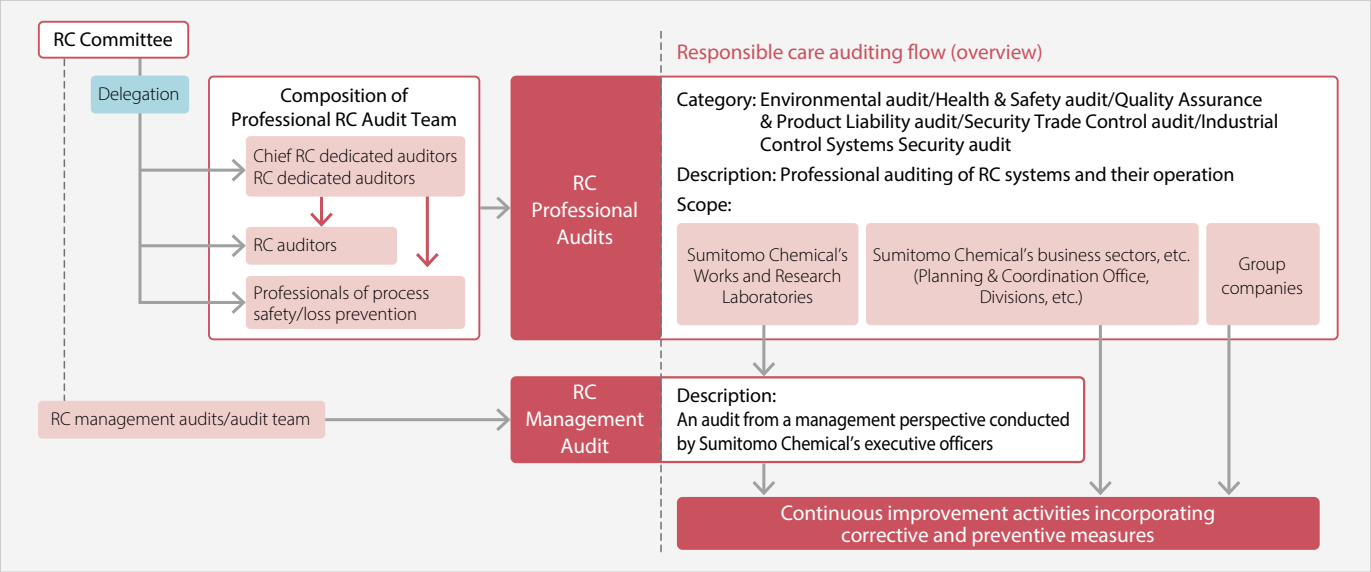
Sumitomo Chemical has an independent RC audit team. The auditors specially designated by the executive officers in charge of RC have a wealth of knowledge, experience, and technical expertise. Based on the RC audit policies and plans approved by the Responsible Care (RC) Committee every year, these auditors conduct audits of internal organizations as well as Group companies in Japan and overseas (consolidated business companies that have been determined to need auditing, Group business companies for which auditing has been requested, and listed Group companies (including their subsidiaries)). In fiscal 2023, as COVID-19 restrictions eased, we restarted on-site audits of overseas Group companies while diligently taking infection prevention measures. However, audits were still conducted remotely for those in some regions where restrictions remained in place. In addition, RC audits of internal Works and research labs are conducted from a management perspective by an audit team comprising Sumitomo Chemical's executive officers in charge of RC. In line with the important direction provided during an RC audit, the Works and labs report their methods for advancing corrective and preventive measures, the status of their responsible care activities, and important issues to the audit team for discussion.

We continually work to prevent compliance violations, corruption, and errors as well as to improve the management of both Sumitomo Chemical and Group companies while building, maintaining, and improving their internal control systems as needed.

The Scope and Cycle

In principle, RC audits are conducted every one or two years at Sumitomo Chemical's Works and business sectors, and every three years at Group companies.

■ Responsible Care Auditing Framework



Goals and Results

Responsible Care Audit Results (Sumitomo Chemical Group)

Facilities		FY2021	FY2022	FY2023
Professional audits*1	Works and research laboratories	10	8	7
	Independent laboratories	2	0	1
	Logistics centers	0	0	0
	Business sectors	4	4	4
	Group companies in Japan	16	21	10*3
	Group companies overseas	6	12	13*3
Management audits*2	Works, research laboratories, and independent laboratories	8	5	8
Total		46	50	43

Note: Refer to Responsible Care Auditing Framework on page 75 for more details.

*1 Audits of systems and operations by specialists in each field

*2 Audits from a management perspective by Sumitomo Chemical officers

*3 Companies subject to audit comprised 30 domestic companies (53 facilities) and 36 overseas companies (43 facilities). All domestic audits were conducted on site according to plan. Overseas, one company was audited remotely, but all other audits were conducted on site.

FY2023 Professional Audits for Facilities and Business Sectors (Sumitomo Chemical)

Assessment	Facilities (Works, Research Laboratories)	Business Sectors (Head Office Business Sectors)	Total
Good	34	3	37
Needs improvement	104	5	109
Needs to be examined	89	12	101
Total	227	20	247

Cybersecurity

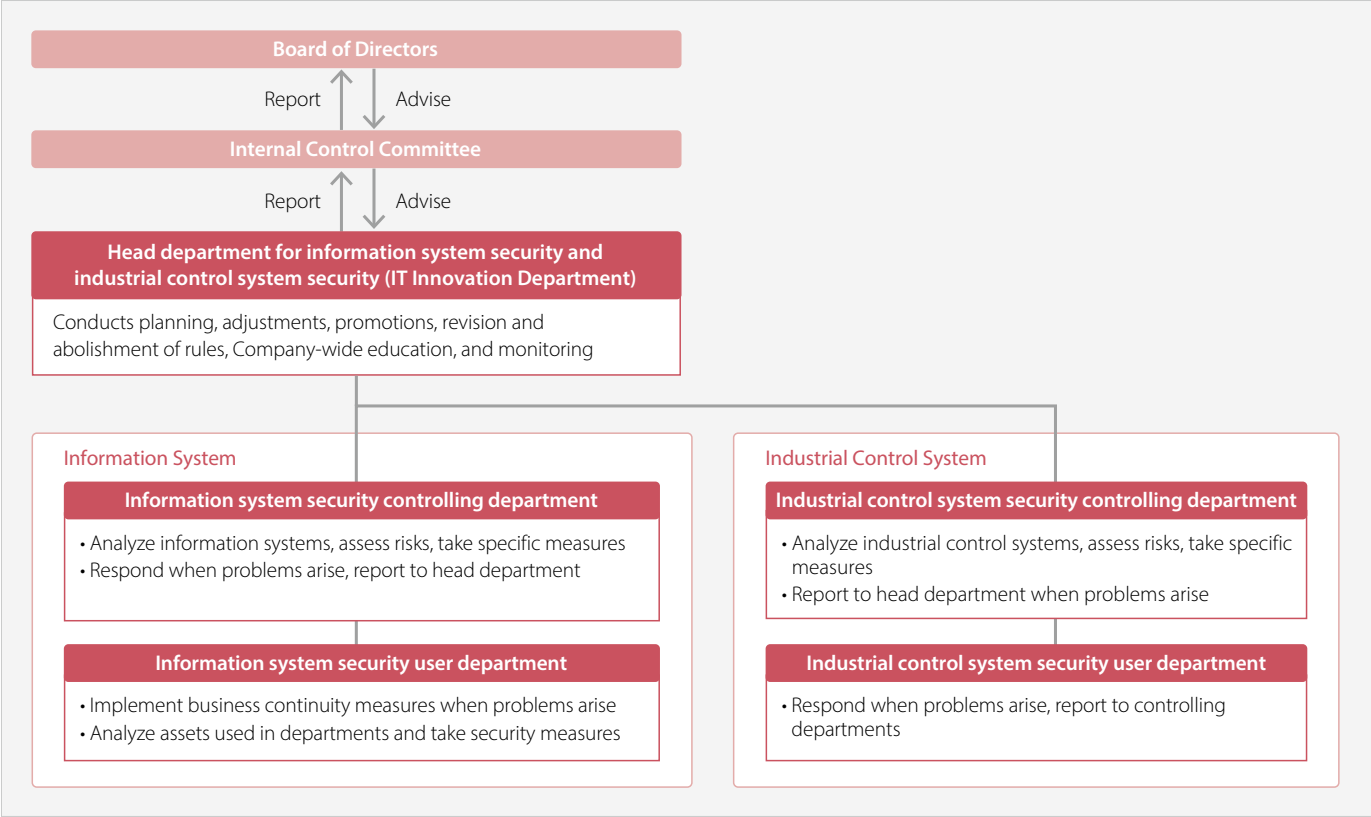
Basic Policy

Sumitomo Chemical has been accelerating Digital Transformation (DX) which seeks to strengthen business competitiveness and create new value through the utilization of IT. At the same time, however, the information system and industrial control system are facing ever greater risks due to skilled and sophisticated cyberattacks. The purpose of cyber security is mainly to prevent data leaks and loss by appropriately managing information systems, to prevent environmental impacts and ensuring health and safety by appropriately managing industrial control systems, and to minimize the impact of security incidents. We regard cyber security as a material issue for management as it works to fulfill its responsibility as a member of critical infrastructure operators, and takes multifaceted system security measures from organizational, institutional, human, technological, and physical aspects.

Management System

Sumitomo Chemical has constructed the following framework for information system security and industrial control system security, and is implementing the PDCA cycle.

■ Security Framework for Information System and Industrial Control System



Goals and Results

We have established a security policy in accordance with the concept of ISMS (Information Security Management System), an international standard for the organization's information security framework.

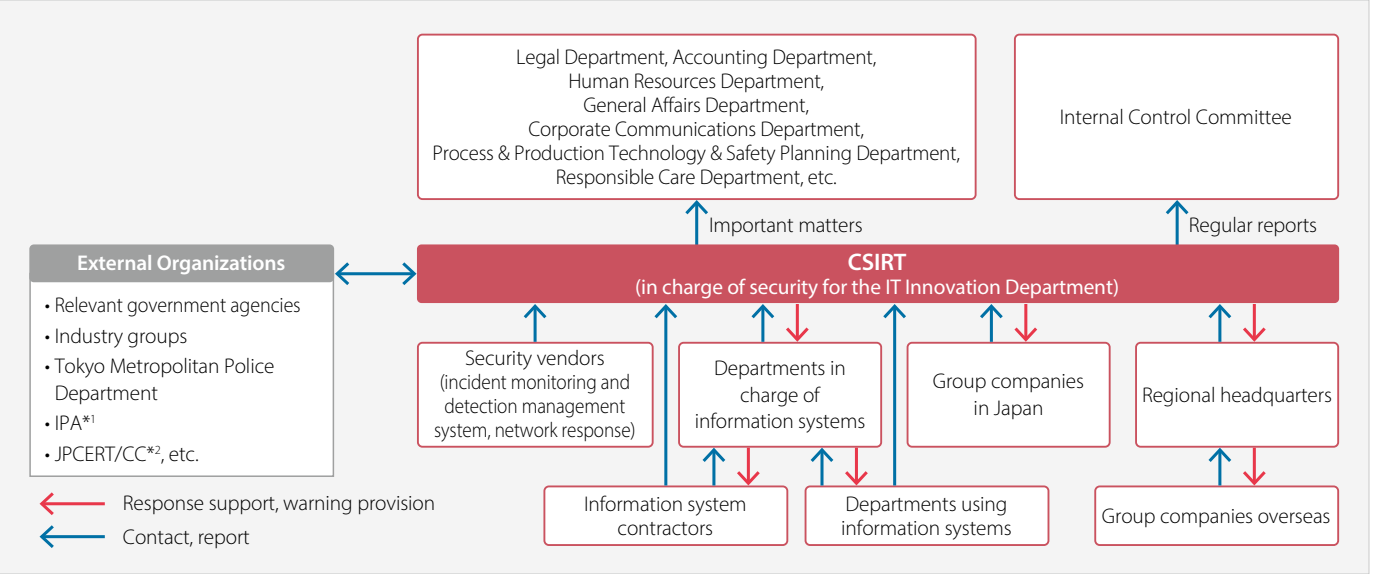
Our basic policy comprises multifaceted security measures (multilayered incident prevention and disaster mitigation), such as those outlined below.

Type of measure	Content of measure
Organizational measures	• Constructed an information system and industrial control system security framework • Constructed an information-sharing framework with inside and outside organizations to ensure preparedness against security incidents
Systematic measures	• Establish general standards and standards related to security, including for Group companies • Periodically conduct security self-inspections and conduct IT security internal audits that encompass Group companies
Personnel measures	• Conduct periodic security education using e-learning system, etc. • Conduct alerts and security incident response exercises
Technological measures	• Implement a range of measures, including access restriction, malware measures, and vulnerability measures, for individual servers and computers as well as networks
Physical measures	• Use cloud servers complete with entry/exit controls and other security features

Examples of Initiatives

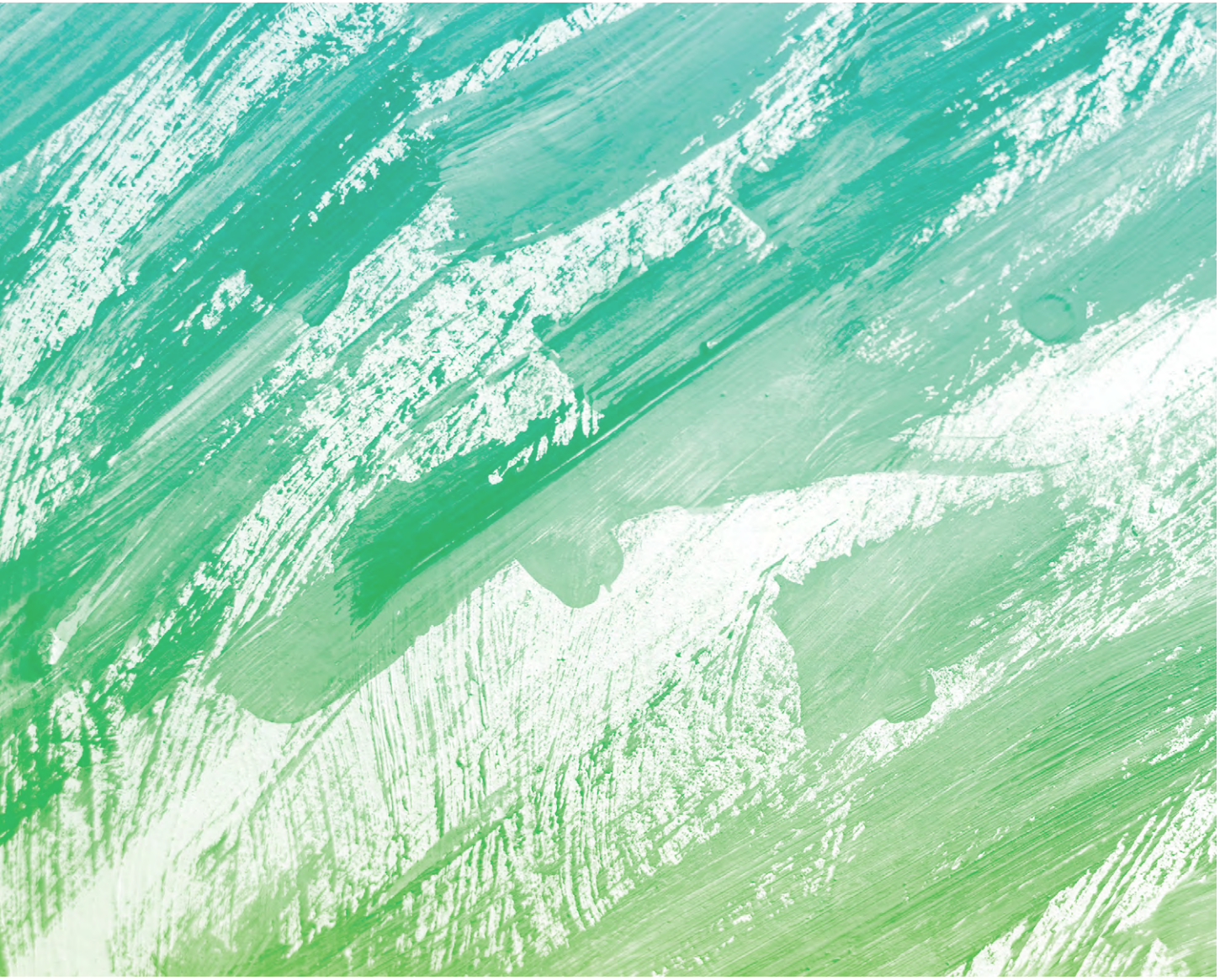
We have established a CSIRT (Computer Security Incident Response Team) in the information system and industrial control system security head department (IT Innovation Department). The team analyzes security information from external organizations, provides warnings to the Group, gathers information on security incidents that occur within the Group, and comprehensively manages the Group's response.

■ Security Incident Response Framework



*1 IPA: Information-Technology Promotion Agency, Japan
*2 JPCERT/CC: Japan Computer Emergency Response Team Coordination Center

Environment



Contents

Contributing to the SDGs through Environmental Activities

Environmental Activity Goals and Results

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

Items		Boundary	Goals	Fiscal 2023 Results	Evaluation	Pages
Climate Change Mitigation and Adaptation	Greenhouse gas emissions Scope 1+2*1	Sumitomo Chemical Group Consolidated	Reduce 36% compared to fiscal 2020 levels by 2030	Reduced 32% relative to fiscal 2020	○	Pages 082–094
	Scope 3*2	Sumitomo Chemical Group Consolidated	Reduce 14% relative to fiscal 2020 for categories 1 and 3*3 by fiscal 2030	Reduced 19% relative to fiscal 2020	○	
	Unit energy consumption*4	Sumitomo Chemical Group Consolidated	Improve more than 3% over the three years of the Corporate Business Plan (using fiscal 2021 as the base year for fiscal 2022–2024).	Improved 13% relative to fiscal 2021	○	
	Unit energy consumption in the logistics division	Sumitomo Chemical and Group companies in Japan*5	Improve over 1% per year on average over five years	Worsened by an annual average of 0.4% over five years	△	

Note: Further details on goals based on the Act on the Rational Use of Energy and results are provided in the supplementary data (pages 108–109).
*1 Scope 1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes), Scope 2: Indirect emissions from purchases of power and heat from outside the factory
*2 Scope 3: Emissions from the manufacturing and transportation of purchased raw materials
*3 Category 1: Purchased goods and services, Category 3: Fuel and energy activities not included in Scopes 1 or 2
*4 Energy consumption divided by consolidated net sales
*5 Within the scope of specified shippers according to the definition stipulated under the Act on the Rational Use of Energy

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

Items		Boundary	Fiscal 2023 Goals	Fiscal 2023 Results	Evaluation	Fiscal 2024 Goals	Pages
Contribute to Recycling Resources	Promoting the effective use of plastic resources	Sumitomo Chemical and Group companies in Japan	Improve the amount of valuable resources and effective utilization*6 by 5% or more relative to fiscal 2020 by fiscal 2025.	Improved 15.2% relative to fiscal 2020	○	Improve the amount of valuable resources and effective utilization by 5% or more relative to fiscal 2020 by fiscal 2025.	Pages 095–099
		Group companies overseas	Improve the amount of valuable resources and effective utilization*6 by 5% or more relative to fiscal 2020 by fiscal 2025.	Worsened 8.1% relative to fiscal 2020	△	Improve the amount of valuable resources and effective utilization by 5% or more relative to fiscal 2020 by fiscal 2025.	
	Reduce the amount of waste sent to landfills	Sumitomo Chemical and Group companies in Japan	Maintain waste volume at below fiscal 2020 levels to fiscal 2023	Reduced by 40.2% relative to fiscal 2020	○	Maintain waste volume at below fiscal 2020 levels to fiscal 2024	
	Promoting the waste recycling and reuse	Sumitomo Chemical and Group companies in Japan	Improve the waste recycling and reuse rate*7 by 5% or more relative to fiscal 2020 by fiscal 2025.	Worsened 13.8% relative to fiscal 2020	△	Improve the waste recycling and reuse rate by 5% or more relative to fiscal 2020 by fiscal 2025.	
		Group companies overseas	Improve the waste recycling and reuse rate*7 by 5% or more relative to fiscal 2020 by fiscal 2025.	Worsened 12.2% relative to fiscal 2020	△	Improve the waste recycling and reuse rate by 5% or more relative to fiscal 2020 by fiscal 2025.	
	Properly treated PCB waste	Sumitomo Chemical and Group companies in Japan	• High concentrations of PCB*8: Work toward appropriate storage and recovery of waste containing high concentrations of PCBs and complete PCB waste treatment at an early stage • Minute amounts of PCB*9: Work toward appropriate storage and recovery of waste containing minute amounts of PCBs and complete PCB waste treatment by March 2025	• High concentrations of PCBs: Sumitomo Chemical: Completed treatment Group companies in Japan: Completed treatment • Minute amounts of PCBs: Implemented the treatment of waste containing minute amounts of PCBs at certain factories; continued to promote the storage and recovery of untreated waste	○	• High concentrations of PCBs: — • Minute amounts of PCBs: Work toward appropriate storage and recovery of waste containing minute amounts of PCBs and complete PCB waste treatment by March 2025	

Note: Further details are provided in the supplementary data (pages 110–129).
*6 Effective usage amount = (amount internally recycled and reused + amount of internally recovered heat) + (amount externally recycled and reused + amount of externally recovered heat)
*7 Waste recycling and reuse rate: (amount internally and externally reused + Amount of internally and externally recovered heat) / Waste emissions × 100
*8 High concentrations of PCBs: Polychlorinated biphenyls (PCBs) intentionally used as insulation oil in such items as electric appliances
*9 Minute amounts of PCBs: PCBs unintentionally mixed into insulation oil in such items as electric appliances (over 0.5 mg/kg)

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

Items		Boundary	Fiscal 2023 Goals	Fiscal 2023 Results	Evaluation	Fiscal 2024 Goals	Pages
Sustainable Use of Natural Capital	Severe environmental accidents	Sumitomo Chemical and Group companies in Japan	0	0	○	0	
	Laws and regulations, etc.	Sumitomo Chemical	Properly respond to more stringent laws and regulations and proactively address trends in new environmental regulations	Offered industrial insights in collaboration with Japan Chemical Industry Association and other organizations at governmental committee meetings, including those held for the Air Pollution Control Act (related to photochemical oxidants)	○	Properly respond to more stringent laws and regulations and proactively address trends in new environmental regulations	
	Environmental protection management methods, etc.	Sumitomo Chemical	Provide individual support to Group companies for responding to environmental regulations	Provided individual support related to the Waste Management and Public Cleansing Law, the Soil Contamination Countermeasures Act, the Act on Rational Use and Proper Management of Fluorocarbons, the PRTR Act and Water Pollution Prevention Act.	○	Provide individual support to Group companies for responding to environmental regulations	
	Conservation of biodiversity	Sumitomo Chemical	Ensure compliance with "Sumitomo Chemical's Commitment to the Conservation of Biodiversity" and strengthening effort	Participated in biodiversity conservation initiatives through the nature symbiosis website promoted by the Ministry of the Environment	○	Ensure compliance with "Sumitomo Chemical's Commitment to the Conservation of Biodiversity"	
	Prevention of air and water pollution	Sumitomo Chemical	Meet voluntary management criteria*1	0	○	Meet voluntary management criteria	Pages 100–107
	Addressing fluorocarbons	Sumitomo Chemical and Group companies in Japan	• Eliminate the use of refrigeration units that use CFCs as coolants by fiscal 2025 • Eliminate the use of refrigeration units that use HCFCs as coolants by fiscal 2045	Systematically replaced refrigeration units that use CFCs and HCFCs as coolants	○	• Eliminate the use of refrigeration units that use CFCs as coolants by fiscal 2025 • Eliminate the use of refrigeration units that use HCFCs as coolants by fiscal 2045	
	Addressing PRTR	Sumitomo Chemical	Due to changes in target substances following legal amendments, FY2023 is set as the base year		—	Maintain emissions at or below the fiscal 2023 level	
		Sumitomo Chemical and Group companies in Japan			—	Maintain total emissions of air and water pollutants at below fiscal 2023 levels	
	Reduction of VOC emissions	Sumitomo Chemical	Maintain VOC emissions reductions at 30% relative to fiscal 2000	Reduced emissions by 61.8% relative to fiscal 2000	○	Maintain VOC emissions reductions at 30% relative to fiscal 2000	
	Effective use of water resources	Sumitomo Chemical	Promote effective and efficient use of water resources	Reduced usage 10.4% relative to fiscal 2022	○	Promote effective and efficient use of water resources	
		Group companies overseas	Improve unit water consumption by at least 1% on average per year	Improved 5.8% relative to fiscal 2020	○	Improve unit water consumption by at least 1% on average per year	
	Prevention of soil and groundwater contamination	Sumitomo Chemical and Group companies in Japan	Keep hazardous materials strictly within Company premises*2	0	○	Keep hazardous materials strictly within Company premises	

Note: Further details are provided in the supplementary data (pages 110–129).

*1 Voluntary management targets that are stricter than the mandated levels and criteria of relevant laws and regulations, including agreements reached with local authorities. *2 Keep hazardous materials strictly within Company premises: Controlled on the premises.

▶ Environmental Data (pages 080–129)
Sumitomo Chemical's manufacturing sites and the production plants of major consolidated subsidiaries (23 companies in Japan and 33 companies overseas)
Principal consolidated Group companies, which account for up to 99.8% of Sumitomo Chemical's consolidated net sales for "Energy consumption and greenhouse gas emissions" (page 087).

Sumitomo Chemical
Sumitomo Chemical: All production sites of Sumitomo Chemical Co., Ltd.
Sumitomo Chemical (all worksites): All production and non-production sites of Sumitomo Chemical Co., Ltd.

Group Companies in Japan
The production plants of 17 companies sharing the Common Targets (Sumika-Kakoushi Co., Ltd.; Sumika Color Co., Ltd.; Sumika Plastech Co., Ltd.; Nippon A&L Inc.; Asahi Chemical Co., Ltd.; Ceratec Co., Ltd.; Sumika Assembly Techno Co., Ltd.; SanTerra Co., Ltd.; Sumika Agro Manufacturing Co., Ltd.; SC Environmental Science Co., Ltd.; Sumika Agrotech Co., Ltd.; Nihon Medi-Physics Co., Ltd.; Sumitomo Joint Electric Power Co., Ltd.; SN Kasei Co., Ltd.; Sumika Polycarbonate Ltd.; Sanritz Corporation; Sumika Kowa Tech Co., Ltd.). In addition to the 17 companies listed above, data not related to the Common Targets (as shown on page 126) include **the production plants of 5 other companies** (Koei Chemical Co., Ltd.; Taoka Chemical Co., Ltd.; Tanaka Chemical Corporation; Sumitomo Pharma Co., Ltd.) and Sumika High-Purity Gas Co., Ltd. for a total of 22 companies.

Overseas Group Companies
29 companies sharing the Common Targets (**Singapore:** The Polyolefin Company (Singapore) Pte.Ltd., Sumitomo Chemical Asia Pte Ltd (MMA&S-SBR) / **Thailand:** Bara Chemical Co., Ltd., Sumika Polymer Compounds (Thailand) Co., Ltd. / **Vietnam:** Sumika Electronic Materials Vietnam Co., Ltd. / **China:** Dalian Sumika Chemphy Chemical Co., Ltd., Sumika Electronic Materials (Wuxi) Co., Ltd., Sumika Electronic Materials (Hefei) Co., Ltd., Sumika Huabei Electronic Materials (Beijing) Co., Ltd., Sumika Electronic Materials (Xi'an) Co., Ltd., Zhuhai Sumika Polymer Compounds Co., Ltd., Dalian Sumika Jingang Chemicals Co., Ltd., Sumika Electronic Materials (Changzhou) Co., Ltd., Xuyou Electronic Materials (Wuxi) Co., Ltd., Sumika Electronic Materials (Chongqing) Co., Ltd. / **Taiwan:** Sumika Technology Co., Ltd., Sumipex Techsheet Co., Ltd. / **India:** Sumika Polymer Compounds India Co., Ltd. / **South Korea:** Dongwoo Fine-Chem Co., Ltd., SSLM Co., Ltd. / **Australia:** Botanical Resources Australia Manufacturing Services Pty Ltd., Botanical Resources Australia Agricultural Services Pty Ltd. / **United States:** Sumitomo Chemical Advanced Technologies LLC, McLaughlin Gormley King Company, Valent BioSciences LLC, Sumika Polymer North America LLC / **United Kingdom:** Sumika Polymer Compounds UK Co., Ltd. / **Turkey:** Sumika Polymer Compounds Turkey Co., Ltd. / **France:** Sumika Polymer Compounds France Co., Ltd.) In addition to the 29 companies listed above, data not related to the Common Targets (as shown on page 127) exclude Dalian Sumika Chemphy Chemical Co., Ltd. and include **5 other companies** (Sumitomo Chemical India Limited, Sumitomo Chemical Chile S.A., Sumitomo Chemical Brasil Indústria Química S.A., Sumika Polymer Compounds Poland Co., Ltd., Mycorrhizal Applications) for a total of 33 companies

Notes: • More detailed information about the boundary of data is listed on each page.
• Regarding affiliated companies and plants newly included in the boundary of environmental data reporting, results data are tabulated from the fiscal year when the survey was conducted as the Sumitomo Chemical Group

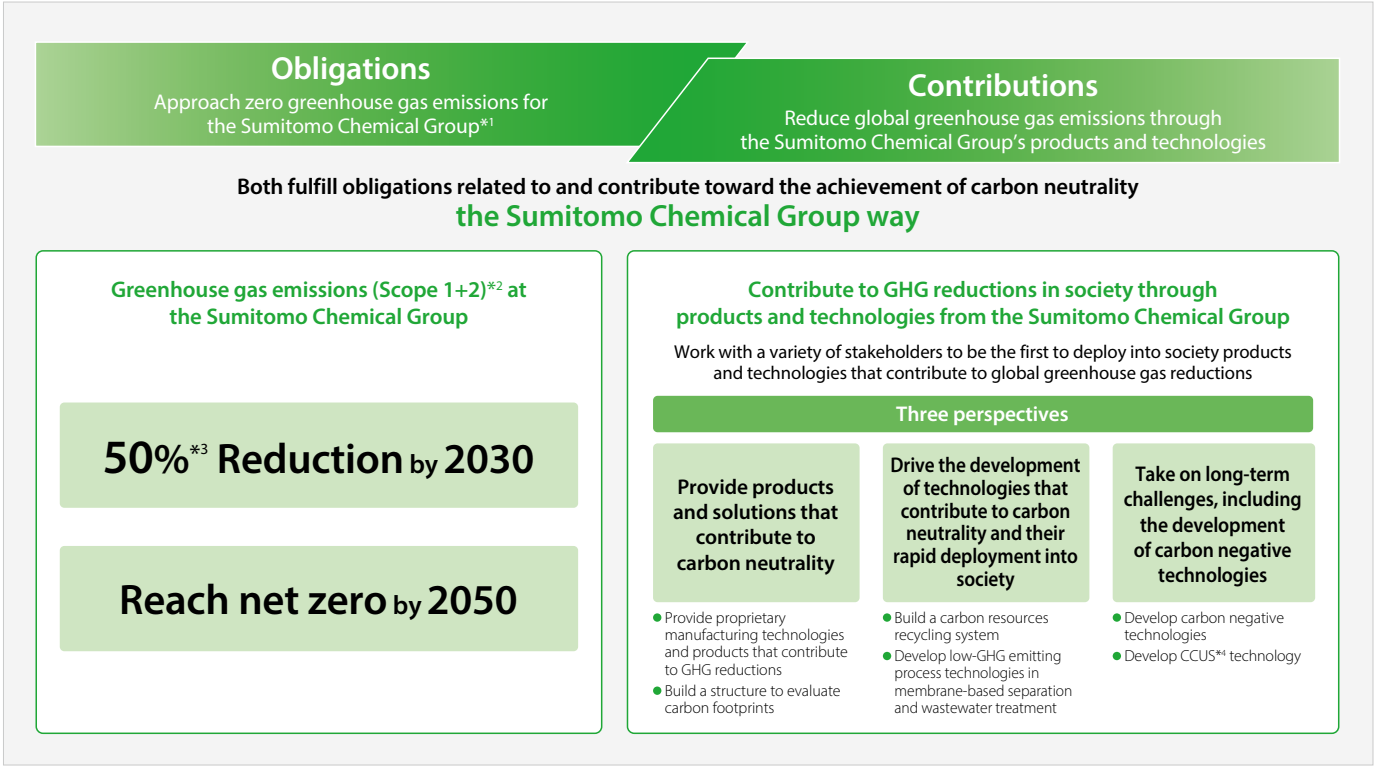
Climate Change Mitigation and Adaptation

Basic Stance

Sumitomo Chemical considers climate change a social issue on which chemical companies should take the lead. To swiftly address this problem, we are actively working to respond to risks and to seize opportunities by utilizing the technology we have cultivated to date. In addition, regarding disclosure related to climate change, we will continue gaining the trust of society by actively raising awareness of our initiatives using the framework of the TCFD recommendations.

Furthermore, with movements aimed at achieving carbon neutrality picking up steam in recent years, the chemical industry is being strongly called upon to create innovation and contribute to the achievement of carbon neutrality for society at large through its businesses. In December 2021, Sumitomo Chemical formulated and publicized its "grand design to achieve carbon neutrality," setting out a direction for its initiatives aimed at realizing carbon neutrality by 2050. In line with this, we will push ahead with initiatives that address both our obligation to bring our own greenhouse gas (GHG) emissions close to zero and the contribution we can make to promoting carbon neutrality for society as a whole through our technologies and products. To fulfill our obligation, we have committed ourselves to reducing our GHG emissions by 50% by 2030 (compared to the level of emissions in FY2013), and to achieving net zero GHG emissions by 2050. We will also contribute to the reduction of GHG emissions throughout society by engaging in external collaboration and otherwise facilitating innovation to develop products and technologies that serve this end, along with pursuing their social implementation, with the aim of helping communities around the world realize carbon neutrality.

■ Grand Design toward Achieving Carbon Neutrality



*1 Referring to Sumitomo Chemical Co., Ltd. and its consolidated subsidiaries in and outside Japan

*2 Scope 1: Greenhouse gases directly emitted by plants, such as in the use of fuels and in manufacturing products
Scope 2: Greenhouse gases emitted indirectly, such as through the purchase of electric power or steam from outside the Company's plants

*3 Compared to FY2013

*4 CCUS: Carbon dioxide Capture, Utilization and Storage

Disclosure in Line with TCFD Recommendations

Sumitomo Chemical expressed its support for the TCFD recommendations when they were published in June 2017. In line with the four recommended disclosure items, "Governance," "Risk Management," "Strategy," and "Metrics and Targets," the Group's efforts to address climate change issues are introduced on pages 83-94.

Governance

Sumitomo Chemical has established meetings and committees to deliberate important matters related to the management of the Group from a broad and diverse perspective in order to enhance its business execution and supervisory functions. Through these meetings and committees, the Company reports to the Board of Directors on issues related to the promotion of sustainability, including climate change.

Management Meetings:
Deliberation of important matters such as management strategies and capital investments, including agenda items and report items related to climate change response

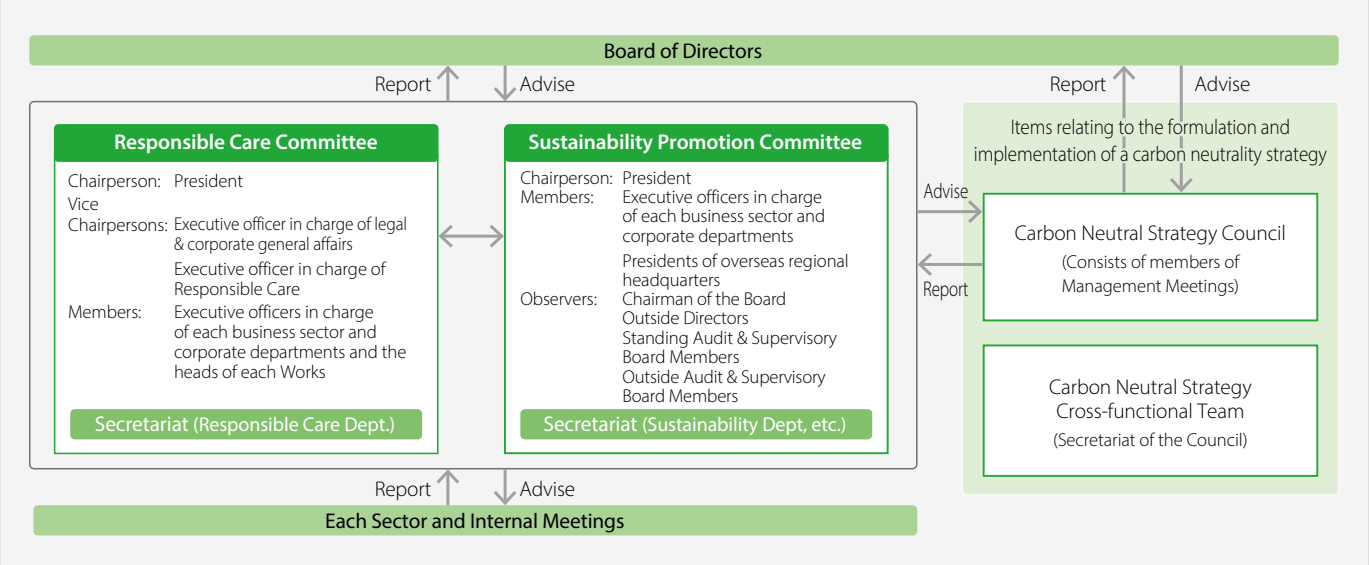
Sustainability Promotion Committee:
Deliberations on important matters related to sustainability promotion

Responsible Care Committee:
Formulation of annual policies, mid-term plans, and specific measures to address climate change, as well as analysis and evaluation of performance

Carbon Neutral Strategy Council:
Deliberation and promotion of the grand design for achieving carbon neutrality by 2050

A wide range of specific issues related to energy and greenhouse gases (GHGs) are taken up for detailed discussion at Company-wide Science Based Targets (SBTs) GM Meetings, SBT Promotion Working Groups, Company-wide Energy Manager Meetings, Department Liaison Meetings on Global Warming, Group Company Information Exchange Meetings, and other gatherings. Through the establishment of these various meetings, we have created a system capable of steadily and swiftly sharing important information in addition to managing energy and GHGs for Works, research laboratories, business sectors, and Group companies.

Structures for Responding to Climate Change



Meeting	Coordinator	Members	Content
Company-wide SBTs GM Meeting	Executive officer responsible for Responsible Care	General managers in charge of SBTs at individual worksites	Discussing various measures aimed at achieving SBTs
SBT Promotion Working Group	Process & Production Technology & Safety Planning Department general manager	Corporate Planning Office, Research Planning and Coordination Department, Process & Production Technology & Safety Planning Department, Responsible Care Department, and Environmental Burden Reduction Technology Development Group	Proposing various multi-faceted measures to achieve SBTs
Company-wide Energy Manager Meeting	Responsible Care general manager	Section managers in charge of Energy and GHGs at their worksites	Sharing and spreading information on initiatives at each worksite
Department Liaison Meeting on Global Warming	Responsible Care general manager	Section managers in charge of climate change action at the departmental and corporate levels	Sharing Company-wide policies and ESG issues
Group Company Information Exchange Meeting	Executive officer responsible for Responsible Care	Managers in charge of climate change action for Group companies	Sharing Group policies and issues and promoting best practices

Risk Management

To achieve sustainable growth, Sumitomo Chemical makes an effort to detect, at an early stage, various risks that may hinder the achievement of its business objectives, and takes proper measures. We focus on building and expanding our system relating to risk management so that we can promptly and properly address risks when they emerge.

Climate change issues are positioned as one of the Group's major medium- to long-term risks through, for example, an assessment from the perspective of the likelihood of their occurrence and impact, and are integrated into the Group's overall risk management process.

Specific Procedures

Each organization, including Group companies in Japan and overseas, conducts risk evaluations from the perspectives of probability of emergence (frequency) and financial impact in the event of emergence. The Internal Control Committee, which is chaired by the President, deliberates and identifies Company-wide material risks that need Group-wide initiatives, which may later be approved. The seriousness of each risk is determined by multiplying the probability of the individual risk by the financial or strategic impact on the Group's businesses.

Based on these processes, we have identified climate change-related risks and opportunities as detailed in the following table.

P.060 Risk Management

■ Risks and Opportunities

Risks

Transition risks
- Increases in tax burden due to the introduction and increase of carbon prices
- Increases in manufacturing costs associated with the increase in energy taxes
- Higher logistics costs due to higher energy prices

Physical risks
- Damage to production facilities due to intensified climate disasters caused by temperature rise
- Decline in sales of related businesses due to changes in crop cultivation in various regions worldwide amid abnormal weather

Opportunities
- Increasing demand for products that contribute to reducing greenhouse gas (GHG) emissions
- Increasing demand for products that adapt to the impacts of climate change
- Growing market for low-carbon processes
- Development of new businesses in the area of climate change measures through research and development and digital innovation

Responding to Risk
- Initiatives Aimed at Achieving Carbon Neutrality
  - Adoption of the internal carbon price system to enhance energy saving and promote investment in reducing of GHG emissions
  - Switching to renewable energy
  - Switching fuel to LNG
  - Collaboration with partners to ensure a stable supply of clean ammonia
  - Calling on major suppliers to set GHG emission reduction targets
- Strengthening measures against wind and flood damage at production sites

Initiatives for Seizing Opportunities
- Expansion of sales of products that contribute to reducing GHG emissions
- Development of plastic recycling technologies
- Development of products that contribute to carbon-negative goals
- Promotion of licenses for GHG reduction technology
- Expansion of sales of products that contribute to adapting to the impacts of climate change
- Acquisition of investment capital through information disclosure

Strategy

In December 2021, Sumitomo Chemical formulated a grand design for achieving carbon neutrality by 2050. We will promote efforts to mitigate climate change from the perspectives of both "Obligation" (to bring the Group's GHG emissions close to zero) and "Contribution" (to reduce global GHG emissions through the Group's products and technologies).

In addition, as part of our efforts to adapt to climate change, we are striving to provide solutions adapted to global environmental changes, in such areas as agriculture and infectious diseases, and to strengthen new product development.

Investments to Achieve Carbon Neutrality

Starting in FY2019, in order to contribute to the realization of carbon neutrality for society as a whole, we calculate economic indicators reflecting internal carbon pricing (10,000 yen per ton) when GHG emissions are expected to increase or decrease for individual investment projects, and make investment decisions.

Investment Scale

We expect to invest a total of approximately 200 billion yen between FY2013 and FY2030 in carbon neutral-related investments.

Scenario Analysis

Scenario analysis, with regard to climate change, is a method in which we consider multiple scenarios, predict the impact of climate change and changes in the business environment due to long-term policy trends, and study the potential impact of these changes on our business and management. Currently, Sumitomo Chemical analyzes risks and opportunities with respect to both a scenario in which a variety of measures are taken to limit average global temperature increase to 1.5°C above the pre-industrial revolution levels, and a scenario in which countermeasures are not taken and temperatures increase by 4°C, evaluating the impacts of the two scenarios on our businesses and future actions that need to be taken.

Summary of the Scenario Analysis

● In blue: positive impact ● In red: negative impact

Scenario	Risks and Opportunities	Anticipated Situation (Example)	Impact Assessment	Action
Common for All Scenarios*1	**Increasing Demands for Disclosure of Information**	● Expansion of ESG investment ● Increased demands for disclosure of the results of life cycle assessment ● Legalization of disclosure of climate change-related information, and introduction of new environmental accounting standards	● Increased opportunity to get access to ESG investment capital by enhancing information disclosure ● Improved rating in stakeholder assessments with regard to the disclosure of the amount of GHG emissions reduction calculated by life cycle assessment ● Increased cost of compliance	● Formulate and release our Grand Design for achieving carbon neutrality ● Disclose the amount of avoided GHG emissions (Science-Based Contributions) ● Develop a carbon footprint calculation tool (CFP TOMO®) and provide it to other companies for free ● Respond to trends in regulations and movements by related institutions
1.5°C Scenario (Reduced GHG Emissions)	**Increased Demand for Products and Technologies Contributing to the Mitigation of Climate Change**	● Increasing investment and growing market for products and technologies contributing to the reduction of GHG emissions and for products and technologies related to recycling Examples • Growing markets for EVs and fuel cell vehicles (2020 to 2050) • Growing markets for components and materials for high-efficiency communication, due to change in consumer behavior (including expansion of the sharing economy and more efficient logistics with the use of IT) • Shift to low-carbon energy sources • Expansion of CCUS*2 (2030 onward) • Expansion of the circular economy, with the aim of reducing GHG emissions derived from fossil fuels (2020 to 2050) • Growing markets for energy-saving homes and building materials	● Increased demand for SSS*3-designated products ● Increasing need for technological development for future SSS-designated products Examples • Components and materials for EVs and fuel cell vehicles • Increased sophistication in IT devices, demand for electronic components necessary to reduce energy consumption, demand for related products and technologies necessary for distributed power systems and semiconductor control devices • Technology that contributes to reducing GHG emissions • Products and technologies for CO_2 recovery, on the back of the expansion of CCUS • Carbon negative technologies • Recycling-related products and technologies • Biologically derived products and technologies • Energy-saving construction materials, such as heat-storing materials	● Enhance development and production systems for products such as lightweight materials, battery materials, and materials for optical products and electronic components ● Develop a process for recycling lithium-ion batteries ● Enhance development and production systems for materials for next-generation power devices and high-efficiency communications ● Promote licensing of technologies that contribute to reducing GHG emissions (for example: the hydrochloric acid oxidation process and the propylene oxide-only process) ● Develop technologies relating to CO_2 recovery ● Develop products that contribute to negative carbon emissions (for example: agricultural materials utilizing fungi, resins produced from microbes) ● Develop plastic recycling technology and build a recycling chain in cooperation with waste management companies ● Develop technology for biologically derived products ● Develop technology for and expand sales of heat storage material products ● Promote the utilization of CO_2-free hydrogen and ammonia
	Increased Regulation on GHG Emissions	● Higher carbon prices (in developed countries, USD 140/ton for 2030, USD 250/ton for 2050)*4	● Increased operational costs due to higher energy taxes including carbon prices (Assuming volume of GHG emissions in fiscal 2050 is about 5.03 million tons/year (Scope 1+2), the same level as in fiscal 2023, and a carbon price between 21,000–37,000 yen per ton of CO_2, our expense burden will increase by about 110-190 billion yen per year.)	● Consider carbon-neutral petrochemical complexes and ports ● Switch to highly efficient equipment by actively utilizing government subsidies ● Switch to renewable energy ● Switch fuel to LNG ● Rationalization research for manufacturing processes
		● Stronger requirements for GHG emissions reductions and making energy-saving performance mandatory ● Phased abolishment of subsidies for fossil fuels (in India and Southeast Asia, etc.) ● Accelerating transition to a circular society and increased regulation ● Increase in calls to promote use of renewable energy from customers	● Lower utilization of high-energy consumption production facilities ● Increase in utility expenses due to an increased proportion of renewable energy	● Develop technologies to capture, separate, and utilize GHG, and deploy them in society ● Promote the deployment of GHG emission removal equipment ● Collaborate with other companies to secure a stable supply of clean ammonia
	Increased Cost of Raw Materials	● More use of resources from circular systems and progress in the transition to lower environmental impact processes ● Increased costs due to more use of recycled materials ● Increase in calls for green procurement	● More difficult to procure raw materials ● Lower profitability of the existing businesses	● Diversify raw material sources ● Evaluate the use of recycled raw materials ● Evaluate self-manufacture of raw materials with unstable supply ● Shift to a local production, local consumption model (for products where raw material procurement costs make up a relatively high proportion of the price)

*1 Common for all scenarios: Situations that can be expected in both the 1.5°C scenario (reduced GHG emissions) and the 4°C scenario (business as usual)
*2 CCUS: Carbon dioxide Capture, Utilization and Storage *3 Sumika Sustainable Solutions *4 Assumptions based on World Energy Outlook 2023

● In blue: positive impact ● In red: negative impact

Scenario	Risks and Opportunities	Anticipated Situation (Example)	Impact Assessment	Action
4°C Scenario (Business as Usual)	**Increased Demand for Products and Technologies Adaptable to Climate Change**	● Growing market for crops resistant to environmental changes such as temperature rise and drought ● Spread of infectious diseases due to the impact of climate change	● Increased demand for SSS-designated products ● Increased need for technological development for future SSS-designated products Examples • Biorationals and soil amendments • Agrochemical products adaptable to the change in crop growth • Agents for prevention and treatment of infectious diseases	● Develop products such as biorationals ● Provide solutions that respond to global changes in the environment for agriculture and infectious diseases ● Enhance sales and marketing structures and new product development structures with an eye on changes in demand in targeted markets
	Intensified Climate Disasters due to Temperature Rise	● More impact on plant operations ● Rising sea level, damage from storm surges and floods, and heat waves ● Damage to farmland due to droughts and soil degradation	● Facilities located on seashores and river banks cease operations ● Decreased cost competitiveness of plants due to increased costs for measures to be prepared for disasters ● Decreased demand due to lower agricultural productivity	● Manage and respond to risks from a business continuity planning perspective ● Expand and diversify the regions in which we do business

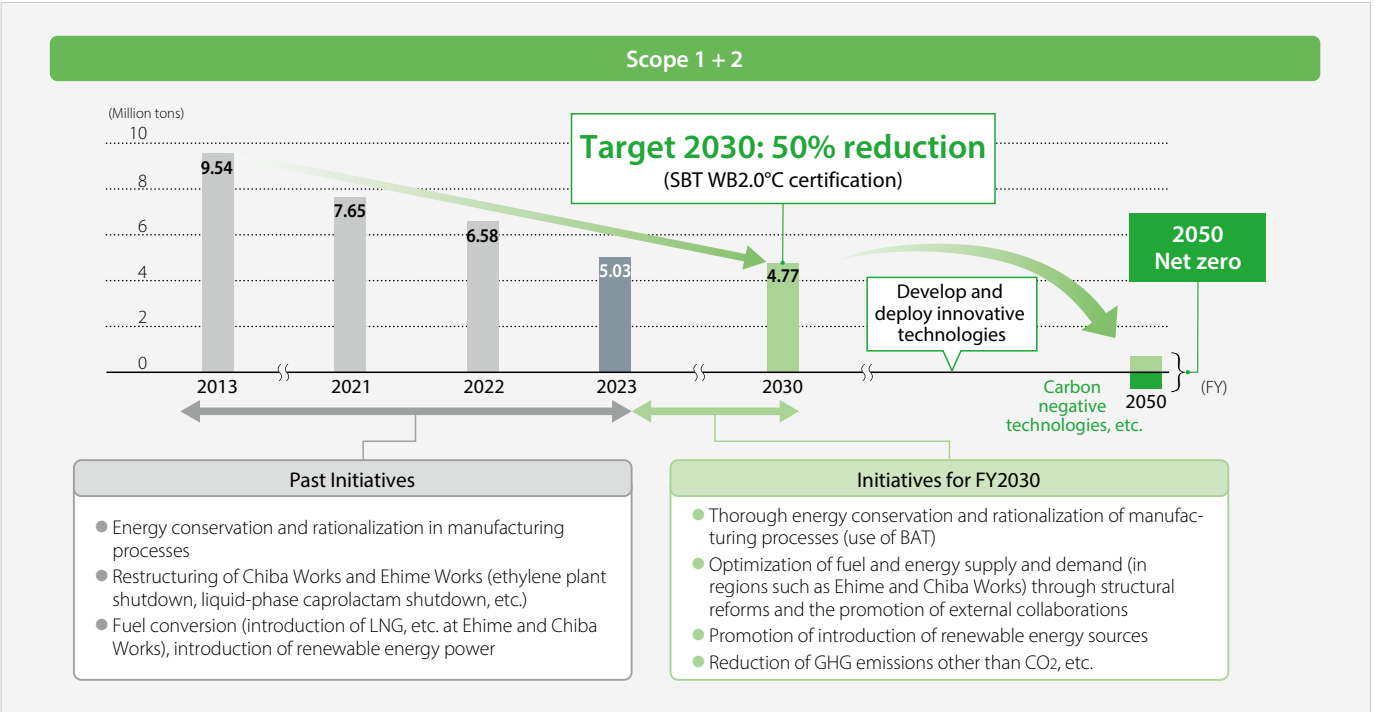
Metrics and Targets (Risk)

As a metric for climate-related risks, we are the first diversified chemical company in the world to utilize GHG emission reduction targets certified as Science Based Targets (SBT). Our Group's*1 GHG emissions (Scope 1 + 2) reduction target for 2030 is 50%*2, and has been certified under SBT's Well Below 2.0°C standard. Until 2030, we aim to achieve this goal by utilizing the best available technology (BAT) in the manufacturing process at existing plants and by making thorough energy conservation and fuel switching in the manufacturing process.

On the other hand, to reach net-zero emissions by 2050, it will be difficult to respond only with existing technologies, and innovative technologies such as carbon-negative emissions and CCUS*3 will be necessary. We will continue to study the development of them and their early implementation.

*1 Sumitomo Chemical + domestic and overseas consolidated subsidiaries
*2 Compared to FY2013
*3 Capture, effective utilization, and storage of CO_2 emitted from plants, etc.

■ GHG Emissions Trends and Reduction Targets (Scope 1+2)



P.013 **KPIs for material issues for social value creation:** Amount of Group's GHG emissions (Scope 1+2)

★: Assured by an independent assurance provider

FY2023 Energy Consumption and Greenhouse Gas Emissions

The Group's greenhouse gas emissions for fiscal 2017 onward are calculated based on the GHG Protocol (refer to page 197 "Calculation Standards for Environmental and Social Data Indicators"). The boundary of calculation has been expanded to include principal consolidated Group companies, which account for up to 99.8% of consolidated net sales.

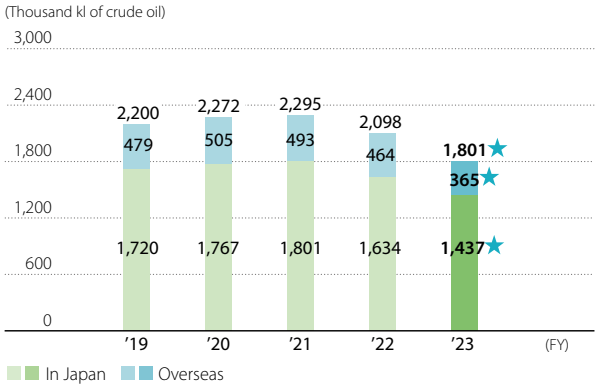
Greenhouse Gas Emissions ★

(Thousand tons of CO_2e)

	Sumitomo Chemical and Group Companies in Japan	Overseas Group Companies	Total
Scope 1	3,995	267	4,262
Scope 2	124	642	767
Total	4,119	910	5,029

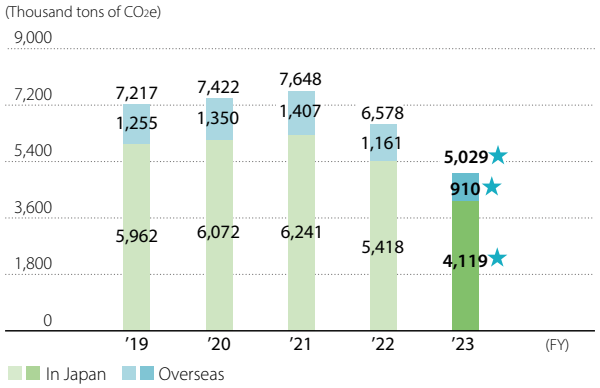
Note: Biomass-derived emissions were 0.6 thousand tons of CO_2e

Energy Consumption (GHG Protocol standards)



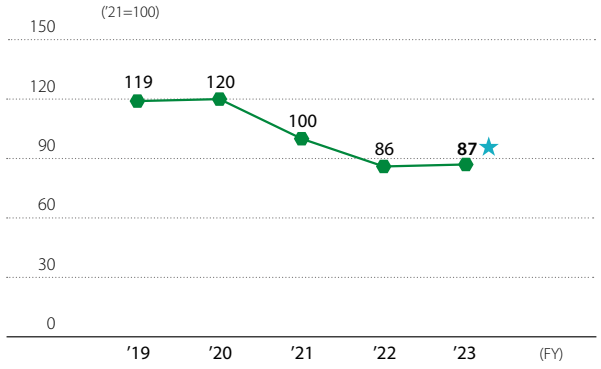
Note: • In line with the GHG Protocol standards, we now include the amount of energy consumed in the production of power and steam sold to external parties by Sumitomo Chemical Group.

Greenhouse Gas Emissions (GHG Protocol standards)



Note: • Having adopted the GHG Protocol standards for our GHG emission disclosures, we now include the following data: CO_2 emissions from energy sold to external parties by the Group; CO_2 emissions from energy use attributable to Sumitomo Chemical's non-production sites; CO_2 emissions from non-energy sources not included in the scope of the Act on Promotion of Global Warming Countermeasures.

Unit Energy Consumption Index (GHG Protocol standards)



Notes: • The figures are indexed to energy consumption (GJ) per unit of sales
• The figures are indexed to fiscal 2021 at 100 because we aim to improve at least 3% over the three years of our Corporate Business Plan (FY2022–2024)

★: Assured by an independent assurance provider

GHG Emission Reduction Targets (Scope 3)

Scope 3

Reduce GHG emissions (Scope 3: Categories 1 and 3) of major Group companies
by 14% from the FY2020 level by FY2030
(SBT WB2.0°C certification)

Supplier Engagement Initiatives

As part of our efforts to encourage our major suppliers to reduce GHG emissions, we hold an annual supplier information exchange meeting. In 2024, we held a hybrid face-to-face and web-based meeting with 53 major suppliers in Japan to explain our efforts to reduce Scope 3 emissions and to request their cooperation in reducing GHG emissions and sharing information on reductions. In recognition of these efforts, the company has been selected as a "Supplier Engagement Leader," the highest rating in the Supplier Engagement Rating conducted by CDP, an international NGO, for five consecutive years.

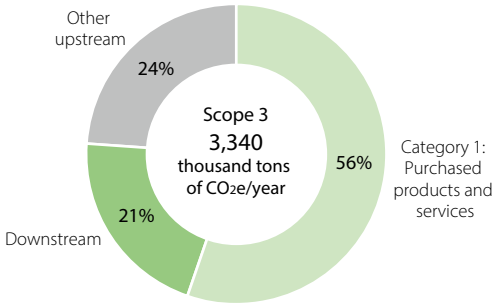
CDP SUPPLIER ENGAGEMENT LEADER 2023

Status of Scope 3 GHG Emissions

(Thousand tons of CO_2e/year)

Category	Emissions			
	FY2020	FY2021	FY2022	FY2023
1. Purchased goods and services	2,346	2,441	2,261	1,858★
2. Capital goods	164	141	146	186
3. Fuel- and energyrelated activities (not included in scope 1 or scope 2)	585	559	550	512★
4. Upstream transportation and distribution	53	55	53	50★
5. Waste generated in operations	41	58	37	33★
6. Business travel	2	3	7	6
7. Employee commuting	11	9	9	9
8. Upstream leased assets	<1	<1	<1	<1
9. Downstream transportation and distribution	<1	<1	<1	<1
10. Processing of sold products	—	—	—	—
11. Use of sold products	42	45	34	24★
12. End-of-life treatment of sold products	806	788	772	662
13. Downstream leased assets	—	—	—	—
14. Franchises	—	—	—	—
15. Investments	—	—	—	—

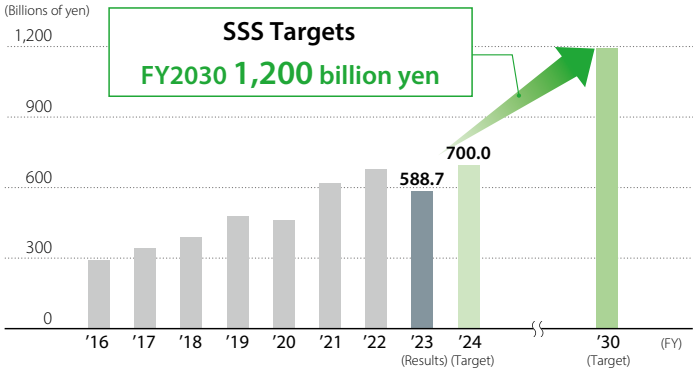
Notes:
- For Scope 3 data, indirect greenhouse gas emissions from business activities throughout the supply chain are calculated separately by category and then added together.
- Calculated for Sumitomo Chemical and Group companies listed on stock indices in Japan (Sumitomo Pharma Co., Ltd.; Koei Chemical Co., Ltd.; Taoka Chemical Co., Ltd.; and Tanaka Chemical Corporation).
- Category 4 does not include Taoka Chemical Co., Ltd., but includes Nippon A&L Inc.
- Category 11 figures are N_2O converted into CO_2



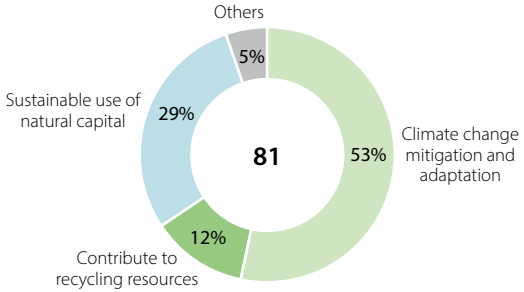
Metrics and Targets (Opportunities)

Sumika Sustainable Solutions (SSS) is used as a metric for climate-related opportunities. SSS is an initiative in which we designate those of our Group's products and technologies that contribute to the fields of climate change mitigation and adaptation, contribute to recycling resources, and sustainable use of natural capital in order to promote their development and spread. The sales revenue from certified products for FY2023 reached 588.7 billion yen. We will continue to advance our efforts towards achieving the FY2030 target of 1.2 trillion yen.

Sumika Sustainable Solutions' Sales Revenue Targets



Percentage of products and technologies in each certified field (FY2023)



Note: Number of SSS certified products and technologies 81

Science Based Contributions (SBC)

Avoided GHG emissions through products and technologies

In order to more clearly demonstrate the contribution of our products and technologies to carbon neutrality (CN), we have established a new indicator, Science Based Contributions. By calculating and visualizing the contribution to avoided greenhouse gas (GHG) emissions, we will accelerate our efforts to achieve CN for society as a whole through our products and technologies. The SBC quantitatively and scientifically calculates the amount of GHG reductions achieved in society through the use of SSS certified products and technologies that we have sold and provided. The figures are calculated based on the product CFP and sales volume of the subject products and the production capacity of the licensed plants, etc. The calculation method is validated by external experts. We will strive to promote understanding of the contribution of our products and technologies to society through active disclosure of information to our stakeholders using the SBC, and promote efforts to realize CN around the world.

SBC results FY2022 **8.3 million tons** FY2023 **7.1 million tons**

Item		Beneficiaries	FY2022 (million tons)	FY2023 (million tons)
SSS Technology	Propylene oxide (PO)-only process, Hydrochloric acid oxidation process	Licensees	2.7	2.7
SSS End Products	Methionine, Flumioxazin, etc.	Users	5.6	4.4
SSS Materials & Components	Components for Secondary Batteries and aircraft, etc.	Users	Not applicable (under consideration)	

Calculation Method

SSS are classified into the three categories of technology, end products, and materials/ components, and CFP is calculated from the difference by comparing the CFP of SSS with that of technologies and products in widespread use as of 2013. (Based on single-year sales volume)

SSS Technology
- PO-only process is compared to the average of other PO manufacturing processes, such as the chlorine process, and hydrochloric acid oxidation process is compared to the salt electrolysis process.
- Calculation of reduction contribution by licensees.

SSS Products
- Methionine is compared to feed without additives. The contribution to the reduction of N_2O in poultry waste was calculated.*
- Regarding the Flumioxazin, contributions to emissions reduction achieved by no-till farming in the U.S. were calculated by comparing no-till farming for soybean cultivation with the conventional farming method.

* In addition to the SBC, we conduct assessments of some products using the Life-cycle Impact assessment Method based on Endpoint modeling (LIME).

Sumika Sustainable Solutions

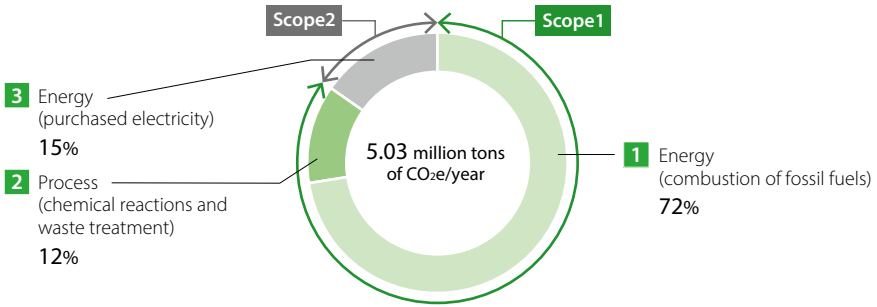
https://www.sumitomo-chem.co.jp/english/sustainability/management/promotion/sss/

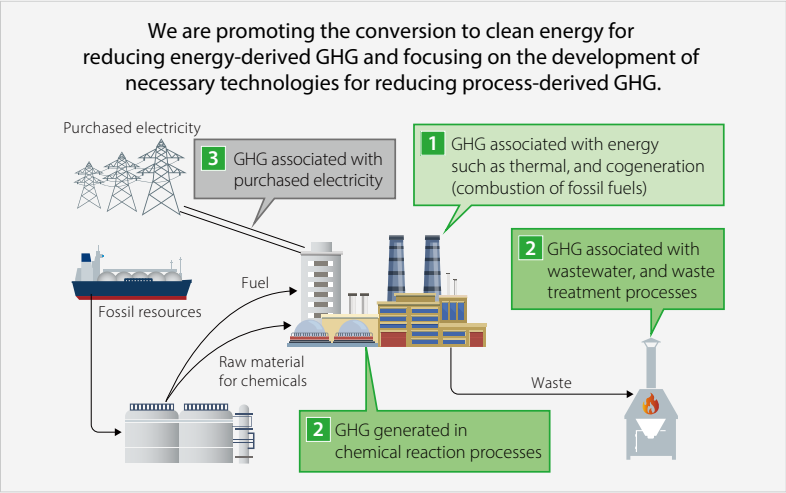
Specific Initiatives for "Obligation"

Major Sources of GHG Emissions from Chemical Plants

The chemical industry is an industry in which raw materials are converted into products through chemical reactions that are driven by electricity, heat from steam, and other forms of energy. In FY2023, 72% of our GHG emissions came from 1 Energy (combustion of fossil fuels), 12% from 2 Process (chemical reactions and waste treatment), and 15% from 3 Energy (purchased electricity). We aim to reduce GHG emissions by focusing on the conversion to clean energy for energy-derived GHG and on the development of necessary technologies for process-derived GHG.

■ GHG Emissions in FY2023





1 Reduction of GHG Emissions from Energy (combustion of fossil fuels): Fuel Conversion

Sumitomo Chemical is working to reduce the Group's GHG emissions as an SBT-certified company. 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 CO_2-emission fuels like coal, petroleum coke, and heavy oil to using low CO_2 emission intensity fuels like liquefied natural gas (LNG).

In March 2022, at Ehime Works, Niihama LNG Co., Ltd.* began operating the Niihama LNG Station, which supplies LNG instead of conventional coal or heavy oil. In November 2022, Sumitomo Joint Electric Power Co., Ltd. started operations of the Niihama North Gas-Fired Power Plant, a facility it constructed that uses LNG. These efforts will result in a 650,000-ton annual reduction in CO_2 emissions. In January 2024, we began operating highly efficient gas turbine power generation equipment at Chiba Works that uses LNG instead of the existing petroleum coke. With the construction of this equipment, we will reduce annual CO_2 emissions by over 240,000 tons (equivalent to around 20% of the CO_2 emitted by Chiba Works). It will also enable the supply of power to neighboring Group companies as we work hard to reduce GHG emissions across the entire Group.

* Funded by Tokyo Gas Engineering Solutions Corporation, Shikoku Electric Power Co., Inc., Shikoku Gas Co., Ltd., Sumitomo Joint Electric Power Co., Ltd., and Sumitomo Chemical

■ Fuel Conversion and CO_2 Emissions Reduction

Ehime region

Fuel conversion: Coals and heavy oil ▶ **LNG**

Amount of CO_2 reduction: **650,000** tons/year

Niihama North Gas-Fired Power Plant

Niihama LNG Terminal and Ehime Works

Chiba region

Fuel conversion: Petroleum coke ▶ **LNG**

Amount of CO_2 reduction: **240,000** tons/year

Chiba Works' highly efficient gas turbine power generation equipment

In addition, the following initiatives are being implemented with respect to the conversion from LNG to cleaner fuels.

Transition to Clean Fuels

Hydrogen and ammonia are gaining attention as clean fuels that do not emit CO_2 during combustion, with ammonia also being recognized as a hydrogen carrier. Our company is undertaking the following initiatives in this regard.

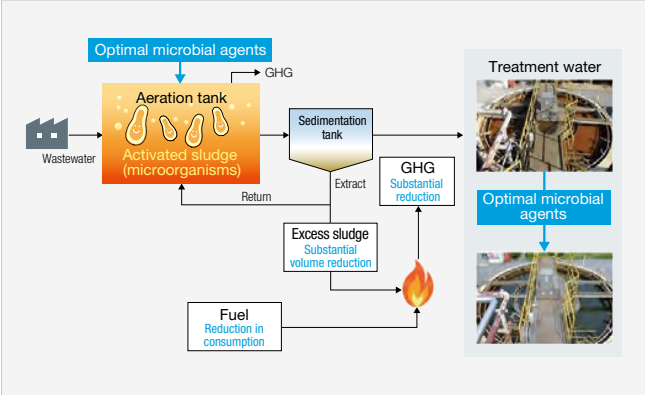
- Focused on clean ammonia (blue and green), we are continuing discussions with Yara, a major foreign ammonia manufacturer, regarding the possibility of its stable procurement.
- Four domestic ammonia suppliers, UBE Corporation, Mitsui Chemicals, Inc., Mitsubishi Gas Chemical Company, Inc., and Sumitomo Chemical are continuing joint discussions to secure a stable supply of clean ammonia.
- We are participating in regional collaboration initiatives aimed at building a supply chain for ammonia and hydrogen as fuels.

P.093 Climate Change Mitigation and Adaptation: Initiatives through Regional Collaboration

We will continue to study the possibility of making each power generation facility cleaner (zero GHG emissions) based on the development status of ammonia and hydrogen combustion technologies, biomass fuel market trends, and regional collaboration efforts.

2 Reduction of GHG Emissions from process (chemical reaction and waste treatment): Innovation in Wastewater Treatment Technology

Sumitomo Chemical is promoting biotechnological wastewater treatment. Wastewater treatment is an essential initiative to prevent water pollution and promote the recycling and reuse of water resources, however there was the issue that it requires a lot of energy and causes GHG emission when incinerating excess sludge. To address this issue, we have improved wastewater treatment capacity while reducing the amount of sludge generated, GHG emissions associated with wastewater treatment, and fuel consumption through the use of optimal microbial agents.



3 Reduction of GHG Emissions from Energy (purchased electricity): Use of renewable energy

From November 2021, Sumitomo Chemical's Oita Works switched its purchased electric power to 100% renewable energy-derived power, reducing GHG emissions from the Works by around 20%. In addition, at the same Works, we switched the fuel used on site from heavy oil to the low CO_2 emission intensity city gas and are working to optimize the plant operation conditions, achieving a GHG reduction of around 10%. Through these efforts, we realized a total reduction in GHG emissions of around 30% compared to fiscal 2013 at the Works.

Initiatives Aimed at Reducing GHG Emissions at Each Worksite

Each Sumitomo Chemical worksite helps reduce GHG emissions, including in the following ways: installing the latest highly efficient equipment; introducing rationalization and energy-saving measures in production processes; switching to lower-carbon fuels and other forms of energy; 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. Information on the state of these activities is exchanged at Company-wide Energy Manager Meetings, at which representatives from each worksite gather in one location to work on reducing the GHG emissions of the Company as a whole.

State of Installing LED Lighting

Over 50% of the lighting at all Sumitomo Chemical worksites has already been converted to LEDs, and we achieved the Japan Lighting Manufacturers Association's target of an SSL rate of 50% in 2020. Going forward, we will continue installing LEDs with the aim of achieving a 100% SSL rate in 2030 as a Company-wide initiative.

Chiba Works: Introduction of EV Bus

At Chiba Works, we introduced EV bus for commutes and for moving between plants. The purpose is to help reduce CO_2 emissions and raise awareness of carbon neutrality among employees. The body of the bus is wrapped in a design that was solicited from employees. In the near term, we plan to use renewable energy when charging the bus and, going forward, intend to use it for more than just transportation. For example, it can be used as emergency power source at times of natural disaster as well as for a wide range of other applications.

EV bus

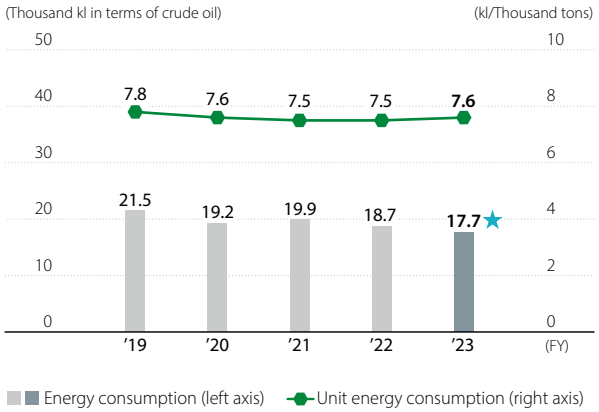
★: Assured by an independent assurance provider

Logistics Initiatives

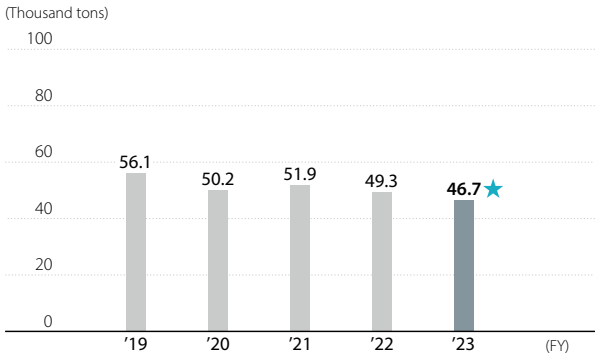
Sumitomo Chemical continues to promote modal shift, or transportation by more efficient and environmentally friendly modes, such as rail and ship instead of trucks. In fiscal 2023, the overall volume of cargo transported fell year on year, and, as a result, energy consumption (crude oil equivalent) and carbon dioxide emissions decreased. However, unit energy consumption increased 0.9% overall due to a rise in coastal transportation. This was an average 0.4% deterioration over the past five years. We will continue aiming to improve unit energy consumption by our target of 1% or more.

■ Reduction of Environmental Impact in Logistics Operations (Sumitomo Chemical and a Group company in Japan)

Energy Consumption and Unit Energy Consumption



CO_2 Emissions



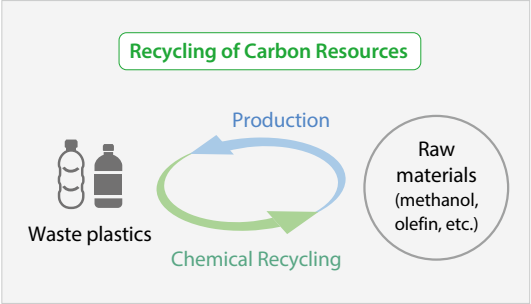
Note: Calculated for Sumitomo Chemical and a Group company in Japan (specified consigner Nippon A&L Inc.)

Specific Initiatives for "Contribution"

Establishment of Carbon Resource Recycling System

We are developing chemical recycling technologies to convert garbage and waste plastics into basic raw materials for chemicals, such as methanol, ethanol, and olefins, and to use them as raw materials for new plastics.

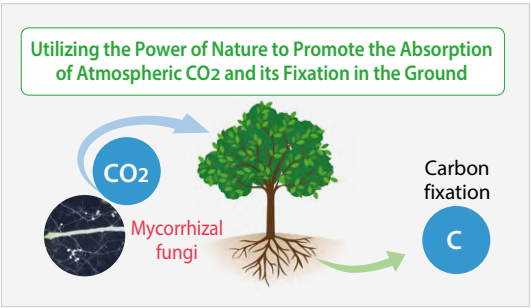
P.095 Contribute to Recycling Resources



Challenges to Carbon Negative Emissions

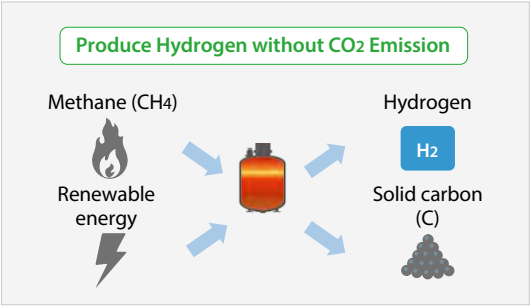
We are developing a technology whereby attaching useful micro-organisms existing in soil to the roots of plants and allowing them to coexist, we not only promote the absorption of CO_2 by plants through photosynthesis, we also fix CO_2 in the ground in the form of carbon compounds. This will enable ordinary fields, forests, and other natural spaces to absorb and fix even greater amounts of CO_2, contributing a net negative amount of carbon to the atmosphere.

P.100 Sustainable Use of Natural Capital



Response to Methane Gas

The future shift to clean energy will require the availability of CO_2-free hydrogen. To address this issue, we are developing a technology to produce hydrogen from methane without CO_2 emissions. This technology will help reduce methane, a GHG, and contribute to the realization of carbon neutrality.



External Cooperation Initiatives

Initiatives through Regional Collaboration

Since there are limits to what individual companies can do to achieve carbon neutrality, it is necessary to accelerate regional collaboration with external parties such as companies outside our group and government agencies. In addition to participating in the Keiyo Coastal Industrial Complex Council on Carbon Neutrality, which was established in November 2022 mainly in Chiba Prefecture, we are also studying ways to achieve carbon neutrality, such as securing biomass feedstock and recovering waste, in cooperation with Maruzen Petrochemical Co. Ltd. and Mitsui Chemicals, Inc. In the Shikoku and Setouchi region, we are collaborating on efforts to construct a clean ammonia supply chain by participating in "the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia", which was launched primarily by Mitsubishi Corporation and Shikoku Electric Power Company.

The existing terminal operated by Namikata Terminal Co., Ltd.
(Imabari City, Ehime Prefecture)

We are proceeding with the study about the port decarbonization plan which is currently promoted by government agencies in cooperation with the local community.

External Cooperation Initiatives

Dissemination efforts of Carbon Footprint of Products (CFP)* calculation tool

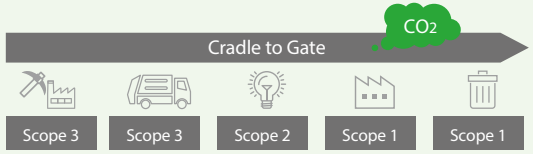
Although the evaluation of product CFP is essential to reduce GHG emissions in society, it is not easy to analyze the CFP of chemical products due to the complexity of their manufacturing processes. In response, we have developed our own automated calculation tool and calculated the CFP of approximately 20,000 products. Currently, we are expanding the scope of evaluation to Group company products. We also provide the tool free of charge to other companies, and at present, more than 110 companies are using the tool, and we have also started collaboration with the Japan Chemical Industry Association. Additionally, we are considering expanding the use of CFP-TOMO® for assessing environmental impacts other than GHG emissions, such as water.

* Greenhouse gas emissions from each stage of the product lifecycle, from procurement of raw materials to manufacturing, use, and disposal, expressed in terms of CO_2 emissions.

Our original calculation tool speeds up the calculation of CFP for our products

Created the original automatic CFP calculation tool

- Built based on commercially available software (Microsoft Access/ Excel)
- Prepared multiple calculation models accounting for the characteristics of chemical manufacturing processes (co-products, by-product fuels, steam generation, etc.) (Choose from the pull-down menu of models and execute calculation)
- Can easily calculate carbon footprint for each stage (intermediates or final product). E.g., raw material to Intermediate A to Intermediate B ... to final product.



- **Received the Ministry of Economy, Trade and Industry's Industrial Science, Technology and Environment Policy Bureau Chief's Award**

The Japan Chemical Industry Association (JCIA) and Sumitomo Chemical were jointly awarded the Ministry of Economy, Trade and Industry's Industrial Science, Technology and Environment Policy Bureau Chief's Award, the highest award at the 20th Life Cycle Assessment Society of Japan (JLCA) Awards. JCIA formulated and published CFP calculation guidelines for the chemical industry while, for its part, the Company developed CFP-TOMO™, a tool for simply and efficiently calculating the CFP of chemical products that it provides free of charge, and over 100 companies are currently using the tool. JCIA and the Company were praised for their significant achievements in working together to further the efficacy of efforts to realize carbon neutrality throughout society.

Representatives receiving the award: Hideo Shindo, Director General of JCIA (left) and Hiroshi Ueda, Vice President of Sumitomo Chemical (back)

JCIA and Sumitomo Chemical jointly receive the highest award at the JLCA Awards (Japanese only)

https://www.sumitomo-chem.co.jp/news/detail/20240123.html

- **Simultaneously Received the Minister of Economy, Trade and Industry's Award and the Minister of the Environment's Award**

Sumitomo Chemical simultaneously received the Minister of Economy, Trade and Industry's Award and the Minister of the Environment's Award at the 23rd Green Sustainable Chemistry Awards hosted by the Japan Association for Chemical Innovation (JACI) for its development and promotion of a carbon footprint calculation tool for chemical products. These awards were given with high praise for the Company's development of CFP-TOMO™, a Carbon Footprint of Products (CFP) calculation tool suited to the chemical industry, as well as for how its efforts to provide the tool free of charge to other companies have contributed to the advancement of the chemical industry and the reduction of environmental impacts. By providing CFP-TOMO™, we have promoted the understanding of CFP calculation methods among chemical companies and significantly reduced the work needed to determine CFP. This has, in turn, encouraged CFP disclosures across the entire chemical industry.

Representatives receiving the award

23rd Green Sustainable Chemistry Awards
Received both the Minister of Economy, Trade and Industry's Award and the Minister of the Environment's Award
-Significantly contributed to the widespread adoption of CFP calculation for chemical products Prefecture- (Japanese only)

https://www.sumitomo-chem.co.jp/news/detail/20240618.html

Contribute to Recycling Resources

For sustainable use of resources, we need to reduce the consumption of natural resources while at the same time circulating the resources we have. In addition to waste management and effective use of resources at our offices and Works, Sumitomo Chemical is working on the development and social implementation of recycling technologies for plastics and other resources.

Circular System for Plastics

Basic Stance

To realize a circular system for plastics, we are working to reduce, reuse, and recycle (mechanical recycling, chemical recycling) products at each stage of the plastic value chain.

In addition, the Group formulated the Sumitomo Chemical Group Basic Policy Towards a Circular System for Plastics in 2020 to work towards building a circular system for plastics and resolving plastic waste problems.

Sumitomo Chemical Group Basic Policy Towards a Circular System for Plastics

https://www.sumitomo-chem.co.jp/english/news/files/docs/20200601e_policy.pdf

Management System

To promote R&D related to chemical recycling, in 2020 we established research groups that deal with technologies to reduce environmental impact at the Petrochemicals Research Laboratory (currently the Essential Chemicals Research Laboratory).

In pursuit of more practical, socially beneficial applications of this research, we are working to cultivate the market for plastic products made possible by securing and recycling plastic waste, especially through the Business Development Office for a Circular System for Plastics, which was established in 2021 and renamed the Business Development Office for Circular Carbon Economy in April 2024.

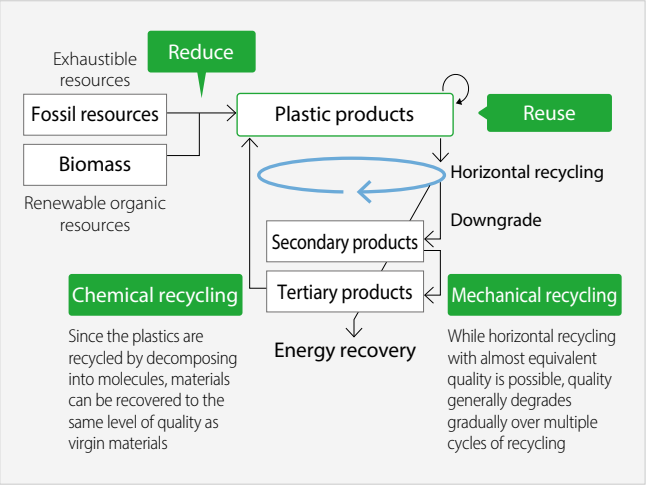
Targets and Results

Sumitomo Chemical has identified "contribution to recycling resources" as one of our material issues to be addressed as management priorities, and we have set the amount of recycled plastic resources used in the manufacturing process as a KPI for this purpose. We are working to replace 200k tons/year of plastic used in our manufacturing process with recycled resources by 2030.

KPI: The amount of recycled plastics utilized in manufacturing processes	
Target	**200k** tons/year by 2030
Result	FY2023 Approximately **7,300** tons

Examples of Initiatives

■ Overall Picture of Circular System for Plastics



Development of the Meguri® brand

Meguri® is a brand of plastic products and chemicals that can be obtained through recycling technology and contribute to reducing environmental impact. Meguri® products are the crystallization of the latest recycling technologies and the environmentally friendly technologies that we have cultivated in various fields as a diversified chemical company. We will expand the Meguri® product lineup and increase production and sales of these products, thereby playing a role in realizing a circular economy.

Meguri
CIRCULARITY FOR ALL

The brand name Meguri® means "circularity" in Japanese. The design of the icon is a deformed version of the kanji character "廻", which means "circularity" in Japanese

Chemical Recycling

We promote development of chemical recycling technologies through multiple routes in parallel, by combining our catalyst design and chemical process design technologies, in collaboration with external parties. Utilization of these technologies will reduce fossil resource use and plastic waste emissions, as well as GHG emissions from plastic waste incineration.

■ Examples of chemical recycling through collaboration with other parties

	Technology	Cooperating Partners	Reference
①	Polyolefin production from waste-derived ethanol	SEKISUI CHEMICAL CO., LTD.	Completion of test production facility in April 2022
②	Direct olefination of waste plastics	Maruzen Petrochemical Co., Ltd. Muroran Institute of Technology	NEDO*1 GI Fund Projects*2 (Project scale: approx. 25.30 billion yen)
③	Ethanol production using synthesis gas derived from waste plastics	National Institute of Advanced Industrial Science and Technology (AIST)	
④	Efficient alcohol production from CO_2	AIST Shimane University	NEDO GI Fund Projects (Project scale: approx. 24.08 billion yen)
⑤	Olefin production from alcohols	AIST	

Explanation of items ④ and ⑤ continues below.

④ CCU Technology for Producing Methanol from CO_2

NEDO | GI Fund Projects

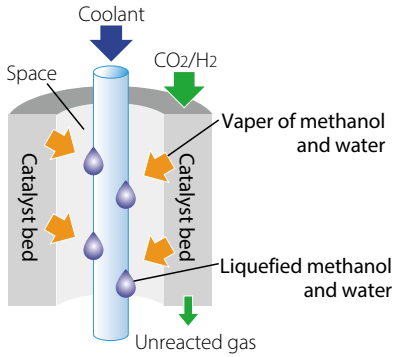
We have completed the construction of a pilot facility to establish a highly efficient process for producing methanol from CO_2 at our Ehime Works and have commenced operations at the facility. Carbon capture and utilization (CCU) technology is expected to serve as a game-changing solution to halt global warming and achieve a circular economy for carbon by recovering CO_2 and utilizing it in products, and we are accelerating the development and spread of various new CCU processes. We have resolved issues in development through joint development with Shimane University Interdisciplinary Faculty of Science and Engineering, leveraging the internal condensation reactor (ICR), a technology that the University has been developing. We aim to complete the demonstration of this technology by 2028, as well as start commercial production using the new process and license the technology to other companies in the 2030s.

Features of this Technology

- Separating generated methanol within the reactor, which leads to improved yield, smaller equipment, and higher energy efficiency
- Separating by-product water, mitigating catalyst degradation

Pilot Facility for Methanol Production from CO_2

■ Principle of the ICR (Conceptual drawing)



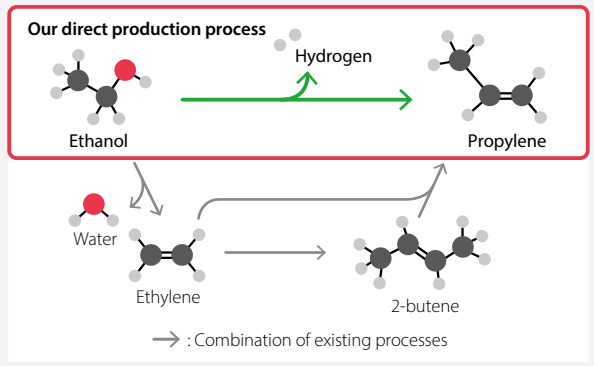
⑤ Environmentally Friendly Ethanol-Derived Polyolefin

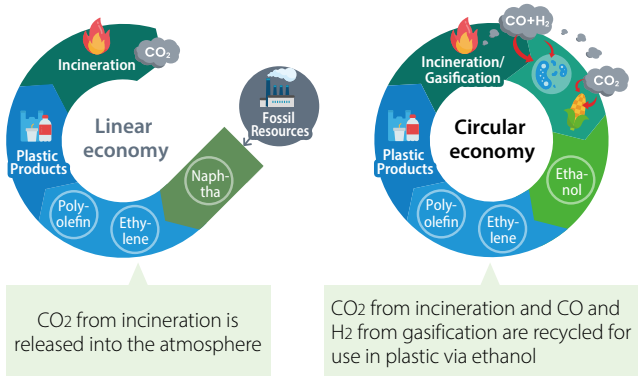
NEDO | GI Fund Projects

We have begun construction of a pilot facility to establish a process for producing propylene directly from ethanol, which is attracting attention as a sustainable chemical raw material. We will work to complete the construction of the pilot facility at our Chiba Works by the first half of 2025 and step up efforts to quickly implement the technology in society.

Features of this Technology

- Producing propylene directly from ethanol
- A newly-developed compact and low-cost process
- Producing hydrogen as a by-product, in addition to propylene





CO_2 from incineration is released into the atmosphere

CO_2 from incineration and CO and H_2 from gasification are recycled for use in plastic via ethanol

*1 National Research and Development Agency, New Energy and Industrial Technology Development Organization (NEDO)

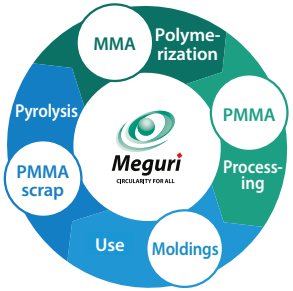
*2 Green Innovation Fund Project

Chemical Recycling System for Acrylic Resin

We have jointly developed with The Japan Steel Works, Ltd. a technology for pyrolyzing acrylic resin and recycling it, with high efficiency, into MMA (methyl methacrylate) monomer, which is a raw material for acrylic resin (polymethyl methacrylate or PMMA). We have built the pilot facility at our Ehime Works and aim to complete the demonstration of this technology and commercialization in FY2025.

* PMMA made from recycled monomers reduces GHG emissions throughout the product lifecycle compared to products derived from fossil resources.

■ Overview of PMMA Chemical Recycling



PMMA Chemical Recycling Pilot Facility

An Example of Collaboration

We are supplying the sustainable material "SUMIPEX® Meguri®," produced using our chemical recycling technology, for acrylic jewelry to be released by Star Jewelry Co., Ltd.

Acrylic jewelry made from recycled MMA through chemical recycling

Photographs provided by Star Jewelry Co., Ltd.

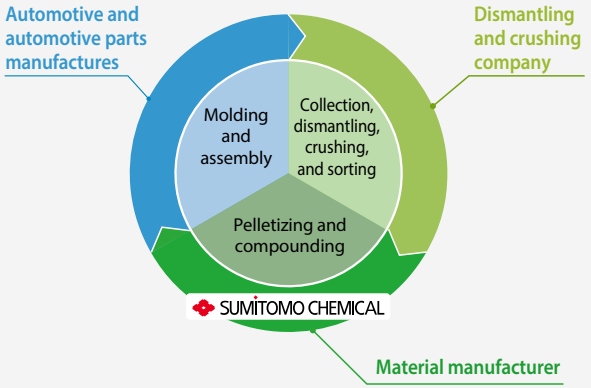
Mechanical Recycling

We are promoting the development of various technologies to achieve mechanical recycling for plastic products.

PP (Polypropylene) Mechanical Recycling

As one of our mechanical recycling initiatives, our company and REVER CORPORARION have concluded a business alliance agreement for mechanical recycling of waste plastics derived from end-of-life vehicles. Through this alliance, the two companies will work to build a circular system for recycling waste plastics that includes the whole process, from collection to sorting to recycling into useful plastic resources, and to accelerate business development for plastic recycling.

■ Overview of PP Mechanical Recycling



In September 2022, we made a decision to introduce a pilot-scale mechanical waste processing facility that performs an integrated process of high-precision sorting and removal of foreign matter according to the type and characteristics of waste plastics.

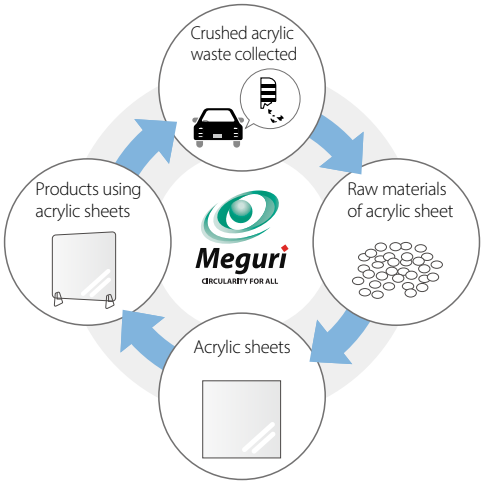
In addition, we will work towards the acceleration of business development.

In July 2024, we began to supply evaluation samples to automotive-related manufacturers.

PMMA (Polymethyl Methacrylate) Mechanical Recycling

"SUMIKA ACRYL SHEET™ Meguri®" is an acrylic sheet commercialized by SUMIKA ACRYL Co., Ltd., made from mechanically recycled raw materials by collecting, sorting, and crushing waste materials generated in the acrylic resin manufacturing process. Despite being recycled material, this product has excellent optical properties.

■ Overview of PMMA Mechanical Recycling



An Example of Collaboration

We are supplying the acrylic sheet "SUMIKA ACRYL SHEET™ Meguri®," produced through mechanical recycling technology, to Koizumi Lighting Technology Corp., a specialized lighting manufacturer.

Lighting sample made using recycled MMA through mechanical recycling

Photograph provided by KOIZUMI LIGHTING TECHNOLOGY CORP.

Opened Innovation Center MEGURU, a new research facility at our Chiba site

Sumitomo Chemical completed construction of its new research facility Innovation Center MEGURU at its Chiba site in June 2024 and began operations.

The purpose of this research facility is to transform the research area at the Chiba site into an R&D hub for environmental impact reduction technologies and new materials. By consolidating relevant research groups and personnel at the Chiba site and fully utilizing our research resources, we will further accelerate technological development, and this, in turn, will create new value.

Innovation Center MEGURU

Sumitomo Chemical Begins Operations of Newly Established Innovation Center, Consolidates Environmental Impact Reduction Technology Research Groups to Accelerate Creation of New Value

https://www.sumitomo-chem.co.jp/english/news/detail/20240627e.html

Reduction of Plastic Used in Product Packaging and Use of Recycled Materials

With regard to feasible cases, including products, raw materials, production sites and other materials, Sumitomo Chemical Garden Products Inc. is working as swiftly as possible to adopt materials that reduce environmental burden and aims to switch over to 100% environmentally friendly products by 2030.
(Some examples of applicable products.)

Soft packaging

The company is contributing to the reduction of the use of plastic.

Recyclable materials

The company is using recyclable PET.

The company is acting as a registered member of Plastics Smart (use and reduce plastic containers).

Initiatives of Sumitomo Chemical Garden Products for sustainability (Japanese only)

https://www.sc-engei.co.jp/company/sustainability/

Resource Saving and Waste Reduction

Basic Stance

We are systematically working to reduce the amount of exhaustible raw materials used, quickly and properly dispose of PCB waste, and reduce the amount of waste sent to landfills. Furthermore, we are setting targets related to the recycling of waste and plastic waste, and are promoting resource recycling initiatives.

Management System

The President serves as the chief coordinator and the executive officer in charge of Responsible Care serves as the coordinator of the Environment and Climate Change Action Group of the Responsible Care Department. This group is responsible for matters related to environmental protection for the Company as a whole and supports the environmental protection activities of Group companies.

Our worksites (head offices, Works, research laboratories, etc.) have established sections in charge of environmental protection operations, appointed coordinators and managers, and execute specific duties. Regarding the execution of duties, the corporate department (Responsible Care Department) formulates Company-wide annual policies and Company-wide medium-term (three-year) policies. Then each worksite, in light of these policies and in consideration of its own characteristics and regional situation, formulates an action policy and undertakes specific activities from the new fiscal year.

Regarding amendments to laws and regulations, the Responsible Care Department vigilantly pays attention to trends related to the enactment and amendment of environmental laws and, as appropriate, provides feedback through national specialized committees and other organizations. All people addressing the problems also establish targets (details of the amendments, possible impacts, visualization of countermeasures, etc.) and commit the Company to addressing the issue being targeted.

Furthermore, with regard to amendments that have a large impact on business, we access the necessary information in advance and notify worksites to prepare for meeting compliance requirements.

P.072 Organization of Responsible Care

Examples of Initiatives

Promoting Resource Saving

We are striving to enhance the economic benefits gained from resource saving activities, such as improving the throughput yield of exhaustible raw materials and product yield.

■ Exhaustible Raw Material Use (Sumitomo Chemical and Group Companies in Japan)

(Thousand tons)

	FY2021		FY2022		FY2023	
	Sumitomo Chemical and Group Companies in Japan	Sumitomo Chemical	Sumitomo Chemical and Group Companies in Japan	Sumitomo Chemical	Sumitomo Chemical and Group Companies in Japan	Sumitomo Chemical
Hydrocarbon compounds	1,713	1,429	1,684	1,421	1,451	1,196
Metals (excluding minor metals)	115	111	104	100	85	81
Minor metals	17.4	0.03	16.2	0.07	15.0	0.04

Note: Economic effects are detailed in the supplementary data (page 113)

Promoting the Monetization of Generated Waste and Increasing Recycling Internally and Externally

We have achieved a major reduction in landfill waste by reducing the amount of waste generated and promoting recycling. In addition, as a specified resource identified by the Act on Promotion of Effective Use of Resources, we are also working to reduce the generation of industrial byproducts (sludge).

Moving up the Schedule for the Treatment of Waste with Minute Amounts of PCBs before Legal Disposal Deadline Set by the PCB Special Measures Law

We winnowed the external operators jointly contracted to dispose of waste by Group companies in Japan down to just one. Regarding the waste with minute amounts of PCBs (transformers, condensers, etc.) being stored or used by each company, we formulated and are carrying out a plan to treat the waste over multiple years. We plan to treat all applicable equipment by March 2025.

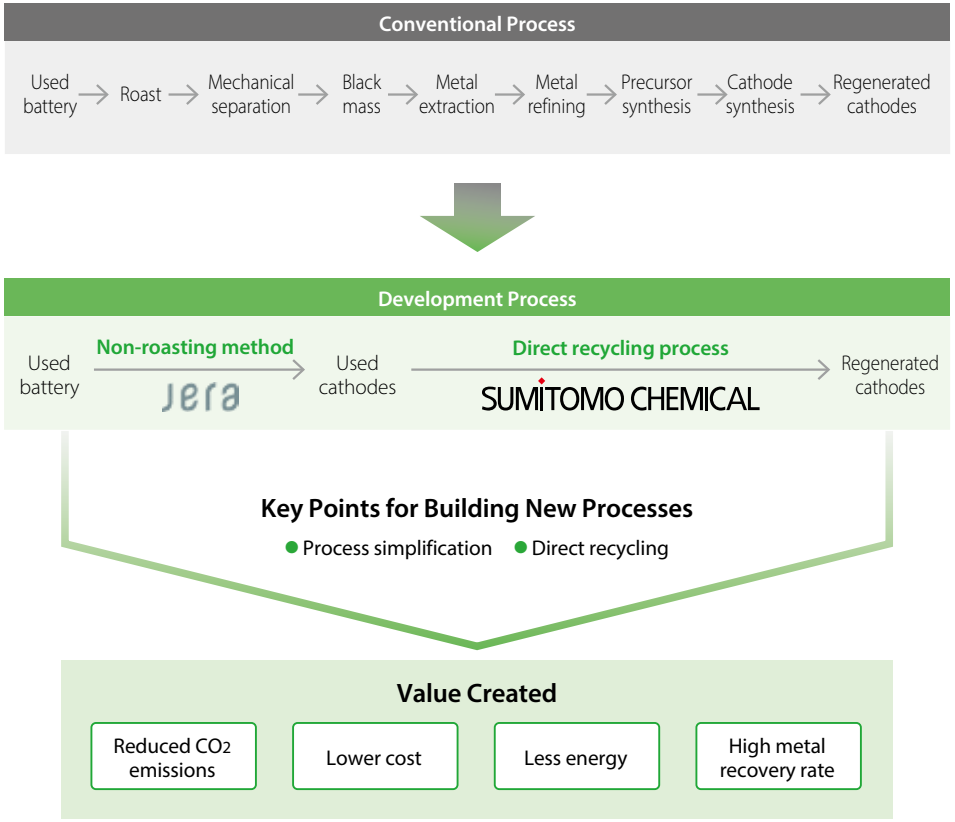
Direct Recycling Initiatives for Battery Cathode Materials

NEDO | GI Fund Projects

We are developing recycling technology that regenerates cathodes collected from used lithium-ion secondary batteries without returning it to metal. By simplifying the conventional process, CO_2 emissions are reduced and recycled cathode materials can be produced at low energy and cost. JERA Co., Inc. and we were selected for NEDO's* "Green Innovation Fund Project: Development of Next-Generation Storage Batteries and Next-Generation Motors". Both companies will promote development of the recycling technology and social implementation.

* New Energy and Industrial Technology Development Organization (NEDO)

■ Key Points of New Process Construction and Value Creation



Sustainable Use of Natural Capital

Basic Stance

Sumitomo Chemical conducts its business using various types of natural capital such as water and soil. Since the early 2000s, we shifted our basic stance in the environmental field to strengthening voluntary management in response to laws and regulations and beefed up our responses to international environmental problems, resource recycling, water risks, soil pollution and other issues. In line with the so-called Nature Positive direction outlined in the Kunming-Montreal Global Biodiversity Framework, which was adopted at COP15, we recognize that biodiversity conservation and sustainable use of natural capital are material issues and we will take further action.

In particular, we are considering and promoting specific actions to realize a Nature Positive stance from the perspectives of both obligation and contribution with the aim of achieving a sustainable future.

Management System

Regarding the management system for the sustainable use of natural capital, please refer to Management System for Resource Saving and Waste Reduction (p.098).

P.098 **Resource Saving and Waste Reduction:** Management System

Obligation	Contribution
● Works to reduce GHG emissions to near zero ● Reduction of chemical substance emissions ● Reduction of waste ● Effective use of water resources ● Promotion of sustainable procurement initiatives, etc.	● Through products and technologies – Reduction of global GHG emissions –Improvement of soil environment –Improvement of water environment ● Nature conservation activities (30by30 initiatives), etc.

★: Assured by an independent assurance provider

Goals and Results

The Sumitomo Chemical Group has established key environmental protection items as Common Targets. By following up on the results of each Group company, we are working to reduce our environmental impact in a systematic way.

P.081 Environmental Activity Goals and Results: Sustainable Use of Natural Capital

Environmental Performance

Sumitomo Chemical collects and totals environmental data for the Company's worksites and Group companies in Japan, including data on energy and resource consumption, production quantities, and environmental impact (e.g., release of pollutants into the air and water).

P.110-111 Environmental Activities: Supplementary Data FY2021–2023 Environmental Performance

FY2023 Primary Environmental Performance (Sumitomo Chemical and Group companies in Japan)

Figures in black: Sumitomo Chemical and Group companies in Japan
Figures in green: Sumitomo Chemical

INPUT Energy and Resources

Water ★

	(Million tons)	
Industrial water	68.7	66
Drinking water, etc.	0.8	0.5
Seawater	606.6	162.2
Groundwater	22.2	19.9
Other water	2.3	2.3

Energy ★
Calculated as kl of crude oil

	(Thousand kl)	
Fuel, heat, and electricity*1	1,437	974

Exhaustible Resources

	(Thousand tons)	
Hydrocarbon compounds	1,451	1,196
Metals (excluding minor metals)*2	85	81
Minor metals*3	15.0	0.04

PCB/CFCs under Secure Storage

No. of electrical devices containing high concentrations of PCBs*4	0 units	0 units
PCB volume*4	0 kl	0 kl
No. of refrigeration units using specified CFCs as a coolant	24 units	17 units
No. of refrigeration units using HCFCs as a coolant	214 units	49 units

OUTPUT Product Manufacturing and Environmental Impact

Products ★

	(Thousand tons)	
(Calculated on the basis of ethylene production)*5	1,963	1,095

Water Pollutant Emissions ★

		(Tons)	
COD	Coastal waters/waterways	641	594
	Sewer systems	137	66
Phosphorus	Coastal waters/waterways	24.9	23.3
	Sewer systems	5.0	2.9
Nitrogen	Coastal waters/waterways	1,057	1,004
	Sewer systems	27.2	17.9
Substances subject to the PRTR Act		13.6	12.0

Waste Materials ★

	(Thousand tons)	
Outsourced waste processing*6	157	49
Landfill*6	14.9	1.6
(Breakdown)		
On-site landfill	0	0
External landfill	14.9	1.6

Atmospheric Emissions ★

	(Thousand tons of CO_2e)	
Greenhouse gases (seven gases)*1	4,119	2,853
CO_2 emissions from energy use	3,661	2,486
CO_2 emissions from other than energy use	382	350
CH_4	—	—
N_2O	75	16
HFC, PFC SF_6, NF_3	1	1
	(Tons)	
Others		
NOx	2,597	1,253
SOx	1,958	290
Soot and dust	127	73
Substances subject to the PRTR Act	635	533

*1 The energy (calculated as kl of crude oil) and greenhouse gas (all seven gases) indices were calculated based on the GHG Protocol (refer to page 197 "Calculation Standards for Environmental and Social Data Indicators") for principal consolidated Group companies in Japan, which account for up to 99.8% of consolidated net sales.
- Having adopted the GHG Protocol standards for our GHG emission disclosures, we now include the following data that was not included in previous calculations: amount of energy used to produce electricity and steam sold to external parties by the Group and the resultant CO_2 emissions; amount of energy used by Sumitomo Chemical and Group companies in Japan non-production sites and the resultant CO_2 emissions; CO_2 emissions from non-energy sources not included in the scope of the Act on Promotion of Global Warming Countermeasures.

*2 Calculations include the following 12 metals: iron, gold, silver, copper, zinc, aluminum, lead, platinum, titanium, palladium, gallium, and lithium.

*3 Calculations include the following seven minor metals: nickel, chromium, tungsten, cobalt, molybdenum, manganese, and vanadium. The supply structure for each of these minor metals is extremely fragile. These minor metals are subject to national stockpiling.

*4 Fluorescent lamps and mercury lamp ballast as well as contaminated substances (wastepaper, etc.), including PCB waste, are not included in unit and volume data.

*5 Certain assumptions were made in calculations due to the difficulty of obtaining weight-based figures for some products.

*6 The amount of coal ash generated at Sumitomo Joint Electric Power, which is included in "Outsourced waste processing" and "Landfill" (Sumitomo Chemical and Group companies in Japan) is calculated on a dry-weight basis.

Examples of Initiatives for "Obligation"

Each Group company and worksite sets targets in such fields as biodiversity preservation, atmospheric environment protection, effective water resource usage, sustainable soil usage, and appropriate chemical substance management. They are striving to enhance measures aimed at achieving the targets.

Biodiversity Preservation Initiatives

Working to preserve biodiversity is one of Sumitomo Chemical's most important pillars as it strives toward building a sustainable society. Since formulating Sumitomo Chemical's Commitment to the Conservation of Biodiversity, Sumitomo Chemical has strengthened its initiatives, including setting ISO 14001 activity goals for biodiversity preservation aligned with the Commitment at All worksites. The Company has been actively participating in a private-sector biodiversity partnership and promoting initiatives through business while giving considerable thought to what we should be mindful of as a chemical company.

生物多様性民間参画パートナーシップ

(Japanese only)

Sumitomo Chemical's Commitment to the Conservation of Biodiversity

1. We position the conservation of biodiversity as one of our most important management issues and strive to help protect the global environment.
2. We work to continuously reduce environmental impact in our production operations and our development and supply of products and services and in cooperation with third parties in the supply chain and thereby contribute to the conservation of biodiversity.
3. By regularly implementing education programs, we ensure that employees fully recognize and understand the importance of biodiversity and promote our commitment to its conservation.
4. We continuously engage in corporate social responsibility activities that contribute to environmental protection and lead to greater trust and confidence from society.
5. We disclose the results of these efforts and maintain effective communication with the general public.

Sumitomo Chemical's Biodiversity Preservation Initiatives

1. Reducing our environmental burden	2. Encouragement of conservation of environments where organisms live	3. Mainstreaming initiatives and alliances with stakeholders	4. Preventing climate change and effectively using resources
Considering the environment in business activities • Surveying benthic river organisms • Monitoring emitted water and gas, installing autonomous measuring equipment, and combatting odors through activated sludge treatment and activated carbon absorption • Undertaking environmental impact assessments at the planning stage for new plant construction and implementing countermeasures • Promoting the 3Rs and managing waste • Undertaking proper management of chemical substances • Complying with internal safety management regulations pertaining to the use of genetically modified organisms **Promoting "Sumika Sustainable Solutions"** • Developing and promoting products with low environmental burden	**Improving the scenery and upgrading of environments where organisms live** • Conserving reservoirs and using them to promote biodiversity • Promoting the greening of each worksite's premises and neighboring areas • Participation in 30by30 • Taking countermeasures against white smoke (To render invisible the gas emitted (white smoke) after incineration to reduce, recycle, and detoxify waste and wastewater onsite, we have installed cooling equipment to condense the vapor.)	**Alliances with stakeholders** • Participating in private partnerships for biodiversity • Incorporating marine plastic waste collection initiatives into management programs based on ISO 14001 • Supporting green curtain businesses • Supporting the Osaka plastic zero declaration • Participating in volunteer cleanup activities	**Saving energy, saving resources, and reducing greenhouse gases** • Reducing CO_2 emissions (switching fuels, installing gas cogeneration systems, etc.) P.082 Climate Change Mitigation and Adaptation P.095 Contribute to Recycling Resources
Relevant SDG targets 7.a, 13.3	Relevant SDG targets 6.3, 6.6, 14.1, 15.1, 9.4, 12.2, 12.4, 12.5, 11.6	Relevant SDG targets 13.3, 15.1, 15.2	Relevant SDG targets 11.6, 14.1, 14.2, 15.1, 15.2

Preserving the Environment of Sakuragaike (Misawa Works)

To prevent damage from heavy rains at Misawa Works, we created a retention pond that can store 50,000 tons of water. The pond (*ike*) was named Sakuragaike because of the cherry trees (*sakura*) planted in the surrounding area. Platanus, Sakhalin fir, double cherry, Sargent's cherry and other trees have been planted along its banks. Many different wild animals live around the pond, such as foxes, raccoon dogs, and serows as well as a wide variety of birds, including ducks and cormorants.

To maintain Sakuragaike, we do not use synthetic chemical insecticides or germicides and instead regularly prune the trees of withered and diseased branches every three years.

Sakuragaike

Double cherry

Left: Grey heron Right: Cormorants

Left: Rabbit Right: Bat

Revitalizing Prairieland (Valent BioSciences LLC)

The Osage Plant of Valent BioSciences LLC, which is based in Iowa, U.S.A., is working to revitalize prairieland on its site, to this end replanting native vegetation on part of the farmland. The revitalized portion of prairie covers 14 hectares and supports ecosystems with native grasses, trees, and shrubs. It has become a habitat for endangered and other small creatures, including birds, butterflies and other insects, and reptiles. This initiative is being undertaken in partnership with Iowa State University, local municipalities, and local schools.

The Revitalized Prairieland on the Osage Plant

Protecting the Atmospheric Environment

We are working on reducing our various environmental impacts, including emissions of soot and dust mainly from boilers and gas turbines, leaks of fluorocarbons from refrigeration equipment, emissions of mercury from waste incineration, emissions of chemicals and VOCs from manufacturing plants, and airborne asbestos from the demolition of buildings. In addition, we appropriately respond to laws and regulations.

Targets for Protecting the Atmospheric Environment

- Regarding refrigeration units using CFCs and HCFCs, we are systematically upgrading to equipment that uses low GWP HFCs or non-fluorocarbon refrigerants (Ozone Layer Protection Law). We are also steadily disposing of the fluorocarbons from refrigeration and air conditioning equipment to be thrown away. (Act for Rationalized Use and Proper Management of Fluorocarbons)
- We will remove all electronic equipment that uses PCBs (in storage or in operation) ahead of the deadline of March 2025. (Act on Special Measures against PCB Waste)

Reining in PM2.5* Emissions

We constructed a cogeneration facility fueled by LNG and reined in PM2.5 emission volumes, achieving significant reductions in the emissions of atmospheric pollutants, including NOx and SOx.

* Particulate matter of up to 2.5 μm in diameter

Chiba Works' Highly Efficient Gas Turbine Power Generation Equipment

P.114 Environmental Activities: Supplementary Data: Preventing Pollution: Atmospheric Emissions of SOx, NOx, Soot, and Dust

Responding to Fluorocarbon Emission Controls

① Initiatives to reduce leakage

We conduct twice annual fluorocarbon leakage surveys at all worksites to assess leakage amounts, identify equipment with significant leakage discovered during the assessment, and clarify the sources of leaks, then take measures to prevent recurrences. Specifically, in addition to the simple and regular inspections defined in the Act for Rationalized Use and Proper Management of Fluorocarbons, which we carry out as directed as a matter of course, we carry out more frequent inspections in order to quickly discover and minimize leakage.

HFO (R1233zd) Refrigeration Equipment

② Management for disposal

When disposing of equipment, to ensure fluorocarbon refrigeration equipment is properly treated, we diligently utilize disposal check sheets for Class I designated products so that there are no gaps in their management linked to fixed asset ledgers or in procedures for recovering fluorocarbons.

③ Systematic upgrades and use of green coolants

Regarding CFC and HCFC refrigeration equipment employed in production processes, we have set a target deadline for upgrading the equipment and conduct progress surveys once a year.

In addition, we are promoting a switch to green coolants at all Group companies in Japan, and Group companies in Japan and all worksites are promoting a switch to HFO refrigeration equipment.

● Upgrade Deadlines for Each Type of Equipment

- CFC equipment: Eliminate use of a total of 17 units by fiscal 2025 (currently a total of 24 units held by Sumitomo Chemical and Group companies in Japan)
- HCFC equipment: Eliminate use of a total of 49 units by fiscal 2045 (currently a total of 214 units held by Sumitomo Chemical and Group companies in Japan)

Emissions of Mercury into the Atmosphere from Waste Incinerators

We measured concentrations of mercury (both gas and particles) emitted into the atmosphere by our waste incinerators, which we own, and completed a study of the impact of these emissions. The results have confirmed that mercury is being effectively removed by emission gas removal equipment, including bag filters and scrapers installed at incinerators, and that the concentration of mercury released into the atmosphere from all of the incinerators we own is within the emission guideline value set under the Air Pollution Control Act.

■ Calculated Emissions for Fluorocarbons (Sumitomo Chemical: All Worksites)

(tons-CO_2)

	FY2019	FY2020	FY2021	FY2022	FY2023
Calculated Emissions	9,354	4,362	5,100	5,844	4,051

Effective Use of Water Resources

To maintain production at worksites and conserve nearby aquatic environments, we strive to appropriately manage wastewater, achieve more sophisticated activated sludge treatment, and promote effective water use based on water risk evaluations at each production base.

Protecting the Aquatic Environment

In addition to our initiatives aimed at reducing overall water use, we have realized thorough purification of wastewater from worksites by operating stable and sophisticated wastewater treatment facilities.

● Responding to Increasing Sophistication of Activated Sludge Treatment

At all Works, we are striving to develop management technologies for water treatment that will further reduce our environmental impact and apply these technologies to realize safe and secure wastewater treatment.

At Works, for process wastewater that is difficult to break down, which was conventionally incinerated for treatment, we have developed an activated sludge treatment utilizing microbial immobilization technology to stabilize the process water and reduce treatment costs. We are still considering applying this treatment to a wider scope of water.

P.091 Reduction of GHG Emissions from process (chemical reaction and waste treatment): Innovation in Wastewater Treatment Technology

★: Assured by an independent assurance provider

Water Area Surveys Conducted around Works (Misawa Works)

To confirm the impact of business activities on water areas, we conduct aquatic wildlife surveys of the Sabishiro River, into which process water from the Works flows.

In the Sabishiro River, we confirmed 10 species of precious aquatic benthic organisms, such as a vulnerable species of Stenothyra and the endangered species Cottus reinii. We determined that we were maintaining ecosystems with extremely good water quality.


Stenothyra


Cottus reinii


Dugesia japonica


A subspecies of *Tubifex tubifex*

Responding to Water Quality Standards

We are strengthening our voluntary management to continually reduce the COD, nitrogen, and phosphorus in wastewater emitted into the ocean and waterways from wastewater treatment facilities. In addition, we have realized stable treated water quality by enhancing the management technologies used in our water treatment facilities. We are continually working to reduce the impact of water emissions from our plants on Tokyo Bay and other closed coastal waters where regulatory systems have been implemented to control the total water emissions of COD, nitrogen, and phosphorus.

Promoting the Effective Use of Water

We investigate water risks related to intake, effluence and physical risk at each worksite and Group companies in Japan and overseas. We uncover various issues related to the use of fresh water on the worksite level and assess and manage the associated risks. In addition, we strive to reduce the amount of water we use by examining more effective ways to use water by application, while continuing to maintain and improve the quality of water released from our business sites into public water resources such as the ocean and waterways.

Water Usage (Sumitomo Chemical Group)

(Million tons)

	FY2021	FY2022	FY2023
Sumitomo Chemical Group	970	871	703
(Breakdown 1)			
Sumitomo Chemical	269	280	251 ★
Group companies in Japan	693	583	450 ★
Overseas Group companies	8.27	7.58	5.74
(Breakdown 2)			
Seawater	862	764	604
Fresh water	108	107	99

Note: Water usage volume includes seawater

Wastewater Detoxification Initiatives (Misawa Works)

Wastewater from the Misawa Works goes through general activated sludge treatment, then, after finishing tertiary treatment of activated carbon absorption and the removal of floating substances through coagulation and sedimentation, analysis equipment does quality checks and the water is released into public waterways.


Activated Sludge Treatment Facility

Water risk assessment in areas where major production sites are located

Regarding maintaining production at production bases in the Sumitomo Chemical Group, we conduct water risk evaluations at each production base from the dual perspectives of physical water risks and water quality susceptibility risks.

① Evaluating Physical Water Risks

The Group evaluates the baseline water stress in communities where production bases are located as well as underground water stress, the severity of droughts caused by seasonal changes in the water supply, the water storage capacity of the drainage basin, projected changes in water stress, and the percentage of water resources in the drainage basin that are protected.

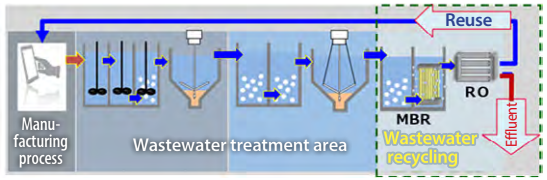
② Evaluating Water Quality Susceptibility Risks

The Group evaluates susceptibility in terms of access to drinking water, water pollution, protected downstream areas, and the presence of endangered species in bodies of fresh water identified by the International Union for Conservation of Nature (IUCN).

Initiative to Effectively Utilize Wastewater (Dongwoo Fine-Chem)

Dongwoo Fine-Chem's Pyeongtaek Works recycles wastewater to reduce the amount of industrial water consumed as an initiative to mitigate water risks. The wastewater treatment facility at Pyeongtaek Works recycles treated water into industrial water, using a wastewater recycling system that combines membrane bioreactor (MBR) and reverse osmosis (RO) methods.

Composition of Wastewater Recycling System (Pyeongtaek Works)



Initiatives in regions with declining water resources (Sumitomo Chemical India)

Locate	Around Bhavnagar Plant of Sumitomo Chemical India Ltd.
Evaluate	Water resources are decreasing due to population growth, increased demand for agricultural water, and decreased precipitation.
Assess	In the event of a water supply shortage, Sumitomo Chemical India will not be able to secure sufficient water for its production activities and will not be able to maintain stable operations.
Prepare	The company purchases domestic household wastewater from municipalities, treats it in the factory using earthworm farming technology, and reuses it. This approach reduces the use of river water, which is usually purchased from municipalities, by more than 70% while ensuring a stable water supply for production activities.


Water Treatment at the Bhavnagar Plant

Effective Use and Management of Yoshioka Springs (Ehime Works)

The name of Yoshioka Springs comes from the Yoshioka family's residence and pond. To provide water to the Kawahigashi district, which had been struggling with water shortages, the springs were created in 1917 by the local residents, and a canal was completed in 1921. After passing through the ownership of several companies, Sumitomo Chemical currently manages the springs.

The supply of water from Yoshioka Springs uses height difference and does not require an outside force. This important source of water for the Company is also used in districts throughout the city for irrigation. To preserve the aquatic environment, we remove weeds and clean the springs and grounds at Ehime Works around three times a week.


Present-day Yoshioka Springs

Conserving Soil Environments

We recognize that the conservation and restoration of soil environments is an important initiative to ensure the sustainable use of natural capital. In addition, as specific measures in line with the Soil Contamination Countermeasures Act, we maintain careful control of the execution and management of construction plans in order to ensure appropriate responses to notifications when modifying soil types at specified facilities that use hazardous substances and an expansion of opportunities for soil contamination surveys.

- Regularly Monitoring Groundwater

  We analyze the groundwater at the boundaries of our worksites to confirm that levels of hazardous materials are below those stipulated by standards.

- Preventing Soil Contamination

  We have established rules regarding the construction standards and the content of regular inspections for various equipment, including the gutters, floors, plumbing, and bund walls of facilities handling chemical substances. We are working to prevent soil contamination from leaks by thoroughly complying with these rules and to prevent the dispersal of hazardous substances outside of plant premises.

Appropriate Chemical Substance Management

Regarding Class I designated chemical substances (PRTR Act) and VOCs, we conduct environmental risk analyses regardless of the amount emitted into the environment. We also take measures to reduce use and emissions. In addition, as a specific response to the PRTR Act, for chemical substances expected to be newly designated under the PRTR Act, we have enhanced the evaluation and management of related environmental risks.

Meeting Voluntary Environmental Targets

At the boundaries of plant premises and at final drainage exits, we have set voluntary environmental targets for the concentration of pollutants in air and water and work to meet those targets.

Reducing Atmospheric Emissions (FY2023 results: atmospheric emissions accounted for around 98% of total air and water emissions)

We are, of course, taking measures to reduce emissions mainly by sealing facilities and improving operation methods. But we are also working to intently and systematically reduce atmospheric emissions primarily by additionally taking such disposal measures as recovering emissions through absorption, purification, and stronger cooling; incinerating emissions; and suppressing emissions through internal floating roofs for tanks.

Operating Company-wide PRTR Calculation Systems

Using the Company's proprietary calculation system, which complies with the Revised PRTR Act enforced from April 2024, Sumitomo Chemical is striving to increase the accuracy and level of detail of the data on emission amounts and transfer amounts for each substance.

Examples of Initiatives for "Contribution"

Focusing on responses at production sites, in fields concerning atmospheric, water and soil quality as well as waste disposal we will continue striving to achieve independent medium- to long-term targets going forward and promote unique initiatives at each worksite in line with the local characteristics.

Nature Preservation Initiatives

- **Promoting 30by30**

  30by30 is a worldwide goal to effectively conserve at least 30% of Earth's land and sea areas as healthy ecosystems by 2030, with the aim of stopping the loss of biodiversity and reversing the trend. Sumitomo Chemical participates as an initial member in the 30by30 Alliance for Biodiversity, which comprises volunteer companies, municipalities, and organizations. We aim to certify the green spaces we manage as nature coexistence sites that contribute to the 30by30 goal and will continue further promoting the conservation of biodiversity.

- **Obtaining certification in the "Conservation Site for Human-Nature Symbiosis" Trial Program (Ehime Works)**

  The Miyoshima Area, which is on the site of Ehime Works, was originally an island in the Seto Inland Sea. In the Showa era, the expansion of the Works through land reclamation connected it to the mainland and it is now an onsite green area. Such rare species as peregrine falcons have been confirmed to be inhabiting the Miyoshima Area, and the area is therefore considered to have value in terms of biodiversity conservation. For this reason, in fiscal 2023 the area acquired certification as a Conservation Site for Human-Nature Symbiosis, which Japan's Ministry of the Environment is promoting as a measure to achieve 30by30 in Japan. We will continue preserving the area as a green area and contributing to the achievement of 30by30.

The Miyoshima Area

Improvement of Soil Environment

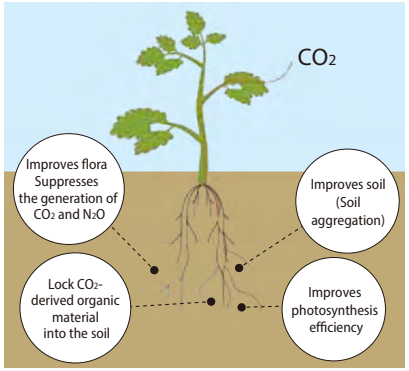
- **Contributed to the Spread of No-till Farming**

  No-till farming is an agricultural method of growing crops without tilling, and is attracting attention from the perspective of reducing greenhouse gas (GHG) emissions by contributing to the reduction of CO_2 emissions from the ground, in addition to its significant environmental benefits such as soil protection and organic matter conservation. We have several herbicides suitable for use before sowing crops, and we will contribute to the spread of this farming method by ensuring the convenience of no-till cultivation through the promotion of these herbicides.

- **Soil Fertility by Mycorrhizal Fungi**

  Mycorrhizal fungi, a type of soil-dwelling microorganism that lives in symbiosis with plant roots, stimulates plant growth. These fungi receive carbon compounds produced by plants through photosynthesis, which increases the amount of carbon compounds in the soil and promotes carbon fixation, thereby reducing atmospheric CO2 and contributing to soil fertility. We are working on the development of technology utilizing mycorrhizal fungi to achieve carbon neutrality and solve food problems.

■ **Benefits of Mycorrhizal Fungi (Including some hypotheses undergoing validation)**



Environmental Activities: Supplementary Data

1 Climate Change Mitigation and Adaptation

Reducing Greenhouse Gas Emissions

■ Greenhouse Gas Emissions (All Seven Gases) (Sumitomo Chemical: All Worksites)

(Thousand tons of CO_2e)

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
CO_2	Energy sources	2,559	2,405	2,454	2,543	2,722	2,645	2,549	2,537	2,322
	From other than energy use	55	50	93	155	142	157	146	137	217
Methane (CH_4)		—	—	—	—	—	—	—	—	—
Nitrous oxide (N_2O)		65	45	35	23	15	20	22	22	16
Hydrofluorocarbon (HFC)		—	—	—	—	4	4	—	—	—
Perfluorocarbon (PFC)		—	—	—	—	—	—	—	—	—
Sulfur hexafluoride (SF_6)		—	—	—	—	—	—	—	—	—
Nitrogen trifluoride (NF_3)		—	—	—	—	—	—	—	—	—

Note: Calculated based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

Energy Saving

FY2023 Breakdown of Unit Energy Consumption (Sumitomo Chemical)

	Energy consumption (1,000 kl in crude oil equivalent) (a)	Production (1,000 tons in ethylene equivalent) (b)	Unit energy consumption (a/b)
Ehime Works	412	594	0.693
Chiba Works	368	301	1.223
Osaka Works	22	14	1.556
Oita Works*	54	39	1.406
Misawa Works	11	10	1.160
Ohe Works	24	132	0.186
Total	891	1,089	0.819

Notes: • Calculated based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.
• Ibaraki Works, which was added from fiscal 2022, is excluded.
Moreover, the Works' energy consumption, total floor area, and unit energy consumption were 5 thousand kl (crude oil equivalent), 17 thousand m^2, and 0.301, respectively.

* Data for the Oita Works includes data for the Gifu and Okayama plants.

FY2023 Energy Consumption and CO_2 Emissions (Sumitomo Chemical and Group Companies in Japan: All Worksites)

	Energy consumption (1,000 kl in crude oil equivalent)	CO_2 emissions from energy use (1,000 tons)
Sumitomo Chemical	909	2,322
Works	897	2,298
Non-manufacturing sites including the Head Offices and Research Laboratories	12	24
Sumitomo Chemical and Group companies in Japan	1,437	3,661
Works	1,408	3,607
Non-manufacturing sites including the Head Offices and Research Laboratories	29	54

Notes: • Calculated based on the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.
• The boundary of calculation covers major consolidated Group companies, accounting for 99.8% of Sumitomo Chemical's consolidated net sales.

2 Contribute to Recycling Resources, Sustainable Use of Natural Capital

Environmental Performance

Sumitomo Chemical collates and totals environmental data for the Company and Group companies in Japan and overseas, including data on energy and resource consumption, production quantities, and environmental impact (e.g., release of pollutants into the air and water).

FY2021–2023 Environmental Performance (Sumitomo Chemical and Group Companies in Japan)

INPUT Energy and Resources

Water

(Million tons)

	FY2021	FY2022	FY2023
Industrial water	70.5	69.5	68.7
Drinking water	0.9	0.8	0.8
Seawater	862	763	606.6
Groundwater	25.5	26.3	22.2
Other water	2.7	2.5	2.3
Total	962	863	701

Energy
Calculated as kl of crude oil

(Thousand kl)

	FY2021	FY2022	FY2023
Fuel, heat, and electricity*1	1,801	1,634	1,437

Exhaustible Resources

(Thousand tons)

	FY2021	FY2022	FY2023
Hydrocarbon compounds	1,713	1,684	1,451
Metals (excluding minor metals)*2	115	104	85
Minor metals*3	17.4	16.2	15

PCB/CFCs under Secure Storage

	FY2021	FY2022	FY2023
No. of electrical devices containing high concentrations of PCBs*4	0	0	0
PCB volume (pure equivalent) (kl)*4	0	0	0
No. of refrigeration units using specified CFCs as a coolant	27	20	24
No. of refrigeration units using HCFCs as a coolant	286	277	214

Note: The number of companies included in the boundary of calculation for the environmental performance data on page 110 is as follows for each year.
FY2021: Sumitomo Chemical and Group companies in Japan: 23 companies
FY2022: Sumitomo Chemical and Group companies in Japan: 22 companies
FY2023: Sumitomo Chemical and Group companies in Japan: 23 companies

*1 From fiscal 2017, the energy (calculated as kl of crude oil) indices were calculated based on the GHG Protocol (refer to page 197 "Calculation Standards for Environmental and Social Data Indicators").
*2 Calculations include the following 12 metals: iron, gold, silver, copper, zinc, aluminum, lead, platinum, titanium, palladium, gallium, and lithium.
*3 Calculations include the following seven minor metals: nickel, chromium, tungsten, cobalt, molybdenum, manganese, and vanadium. The supply structure for each of these minor metals is extremely fragile. These minor metals are subject to national stockpiling.
*4 Fluorescent lamps and mercury lamp ballast as well as contaminated substances (wastepaper, etc.), including PCB waste, are not included in unit and volume data.

OUTPUT Product Manufacturing and Environmental Impact

Products

(Thousand tons)

	FY2021	FY2022	FY2023
(Calculated on the basis of ethylene production)*1	2,613	2,413	1,963

Water Pollutant Emissions

(Tons)

		FY2021	FY2022	FY2023
COD	Coastal waters/waterways	960	825	641
	Sewer systems	207	175	137
Phosphorus	Coastal waters/waterways	36.1	32.0	24.9
	Sewer systems	5.9	6.1	5.0
Nitrogen	Coastal waters/waterways	1,303	1,236	1,057
	Sewer systems	68.6	47.8	27.2
Substances subject to the PRTR Act		11.1	13.3	13.6

Water Discharge

(Million tons)

	FY2021	FY2022	FY2023
Total amount of water discharge	920	809	658

Note: Includes seawater emissions of Sumitomo Joint Electric Power Co., Ltd.

Waste Materials

(Thousand tons)

	FY2021	FY2022	FY2023
Outsourced waste processing*2	276	232	157
Landfill*2	30.7	21.9	14.9
(Breakdown)			
On-site landfill	0	0	0
External landfill	30.7	21.9	14.9

Atmospheric Emissions

(Thousand tons of CO_2e)

	FY2021	FY2022	FY2023
Greenhouse gases (seven gases)*3	6,241	5,418	4,119
Emissions from energy use (CO_2)	5,435	4,639	3,661
CO_2 emissions from other than energy use	655	633	382
CH_4	6	6	—
N_2O	143	137	75
HFC	2	3	1
PFC	—	—	—
SF_6	—	—	—
NF_3	—	—	—

Others

(Tons)

	FY2021	FY2022	FY2023
NOx	3,901	3,783	2,597
SOx	3,896	3,098	1,958
Soot and dust	173	167	127
Substances subject to the PRTR Act*4	420	404	635

Note: The number of companies included in the boundary of calculation for the environmental performance data on page 111 is as follows for each year.
FY2021: Sumitomo Chemical and Group companies in Japan: 23 companies
FY2022: Sumitomo Chemical and Group companies in Japan: 22 companies
FY2023: Sumitomo Chemical and Group companies in Japan: 23 companies

*1 Certain assumptions were made in calculations due to the difficulty of obtaining weight-based figures for some products.
*2 The amount of coal ash generated at Sumitomo Joint Electric Power, which is included in "Waste emissions" and "Landfill" (Sumitomo Chemical and Group companies in Japan) is calculated on a dry-weight basis.
*3 From fiscal 2017, the energy (calculated as kl of crude oil) indices were calculated based on the GHG Protocol (refer to page 197 "Calculation Standards for Environmental and Social Data Indicators"), and include major domestic consolidated group companies accounting for 99.8% of sales.
*4 Calculated based on the amount released into water/the air of each substance subject to the PRTR Act.

Compliance with Environmental Laws and Regulations

(Yen)

	FY2021	FY2022	FY2023
Total fines	0	0	0

Note: **Sumitomo Chemical and our 22 Group companies in Japan, making a total of 23 companies, are included in the boundary of calculation**
[The production sites of the 22 Group companies in the boundary are listed below]
Sumika-Kakoushi Co., Ltd.; Sumika Color Co., Ltd.; Sumika Plastech Co., Ltd.; Nippon A&L Inc.; Asahi Chemical Co., Ltd.; Ceratec Co., Ltd.; Sumika Assembly Techno Co., Ltd.; SanTerra Co., Ltd.; Sumika Agro Manufacturing Co., Ltd.; SC Environmental Science Co., Ltd.; Sumika Agrotech Co., Ltd.; Sumika Polycarbonate Ltd.; Nihon Medi-Physics Co., Ltd.; Sumitomo Joint Electric Power Co., Ltd.; Koei Chemical Co., Ltd.; Taoka Chemical Co., Ltd.; Tanaka Chemical Corporation; Sumitomo Pharma Co., Ltd.; SN Kasei Co., Ltd.; Sanritz Corporation; Sumika High-Purity Gas Co., Ltd.; and Sumika Kowa Tech Co., Ltd.

Evaluation of Environmental Protection Costs and Economic Effects through Environmental Accounting

Sumitomo Chemical continuously gathers and evaluates data on environmental protection-related expenses, investments, and economic results in line with the Company's environmental accounting system introduced in fiscal 2000.

◆ Items Pertaining to Environmental Accounting

(1) Period: April 1, 2023 to March 31, 2024 for Group companies in Japan; January 1, 2023 to December 31, 2023 for overseas Group companies
(2) Boundary: Sumitomo Chemical and 21 major consolidated subsidiaries (16 in Japan and 5 overseas)*; 22 companies in total
(3) Composition (Classification): Based on Ministry of the Environment (Japan) guidelines
(4) Outline of the results (investment and expenses): Consolidated investment decreased year on year by 4.6 billion yen, and consolidated expenses increased by 0.1 billion yen.

■ Environmental Protection Cost

(Billion yen)

Classification		Details of Major Initiatives	FY2022				FY2023			
			Non-Consolidated		Consolidated		Non-Consolidated		Consolidated	
			Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses
Facility Area Costs			4.2	23.8	7.3	36.8	1.4	23.7	2.9	36.8
Breakdown	Pollution Prevention Costs	Prevention of air pollution, water pollution, soil contamination, noise pollution, odors, ground subsidence, etc. (pages 114–115)	(1.0)	(17.8)	(3.4)	(23.1)	1.1	17.9	1.9	23.7
	Global Environmental Protection Costs	Energy saving, prevention of global warming, ozone layer depletion, and other measures (pages 109, 117)	(0)	(0.3)	(0.4)	(4.3)	0	0.2	0.5	3.8
	Resource Recycling Costs	Resource saving, water saving and rainwater usage, waste reduction/disposal treatment, recycling, etc. (pages 098-099, 121-125)	(3.2)	(5.8)	(3.5)	(9.5)	0.3	5.6	0.4	9.3
Upstream/Downstream Costs		Green purchasing, recycling, recovery, remanufacturing and appropriate treatment of products, recycling costs associated with containers and packaging, environmentally friendly products and services, etc.	0	0.1	0	0.4	0	0.1	0	0.3
Administrative Costs		Costs associated with environmental education, environmental management systems, the monitoring and measuring of the environmental impact of business activities and products, environmental organization operations, etc. (pages 128-129)	0	0.9	0	1.5	0	0.8	0	1.5
R&D Costs		Development of products with attention to environmental safety, research into energy-saving processes, etc. (pages 021–026)	0.1	9.5	0.1	9.7	0	9.9	0	10.0
Social Activities Costs		Protection of the natural environment and enhancement of its scenic beauty and greenery, support for community initiatives aimed at environmental protection, support for environmental preservation groups, environment-related paid contributions and surcharges, etc.	0	0.4	0	0.9	0	0.4	0	0.7
Environmental Remediation Costs		Environmental rehabilitation of contaminated environments and other environmental damage, reserve funds to cover environmental recovery, etc.	0	0	0	0	0	0	0	0
Total			4.3	34.7	7.5	49.3	1.4	34.9	2.9	49.4

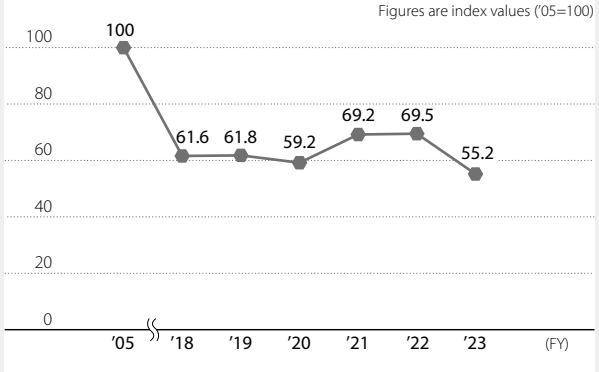
* Sumitomo Pharma Co., Ltd.; Koei Chemical Co., Ltd.; Taoka Chemical Co., Ltd.; Asahi Chemical Co., Ltd.; Sumitomo Joint Electric Power Co., Ltd.; Sumika Color Co., Ltd.; Nihon Medi-Physics Co., Ltd.; Nippon A&L Inc.; SanTerra Co., Ltd.; Sumika-Kakoushi Co., Ltd.; Sumika Agrotech Co, Ltd.; Ceratec Co., Ltd.; SC Environmental Science Co., Ltd.; SN Kasei Co., Ltd.; Sumika Agro Manufacturing Co., Ltd.; Sumika Plastech Co., Ltd.; Dongwoo Fine-Chem Co., Ltd.; Sumitomo Chemical Asia Pte Ltd.; The Polyolefin Company (Singapore) Pte. Ltd.; Sumika Technology Co., Ltd.; and Sumika Electronic Materials (Wuxi) Co., Ltd.

Economic Effects

(Billion yen)

Results	FY2022		FY2023	
	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated
Reduced costs through energy saving	0.1	0.2	1.2	1.5
Reduced costs through resource saving	0.4	0.7	0.4	1.9
Reduced costs through recycling activities	4.0	4.5	5.0	6.4
Total	4.5	5.5	6.5	9.8

Cost Efficiency of Environmental Protection Measures (Sumitomo Chemical: All Worksites)



Note: After performing more detailed calculations, the figure for the cost efficiency of environmental protection measures in fiscal 2022 was revised from 92.3 to 69.5.

In fiscal 2005, we began implementing measures to improve the cost efficiency of our environmental protection measures by making sure that all activities were as cost effective as possible. We will implement more effective measures by analyzing and studying the breakdown of our environmental protection costs and reviewing each item to determine its importance. We calculate the cost efficiency of our environmental protection as the ratio of annual total production value to total environmental protection costs, in order to better reflect actual production activities in the calculation.

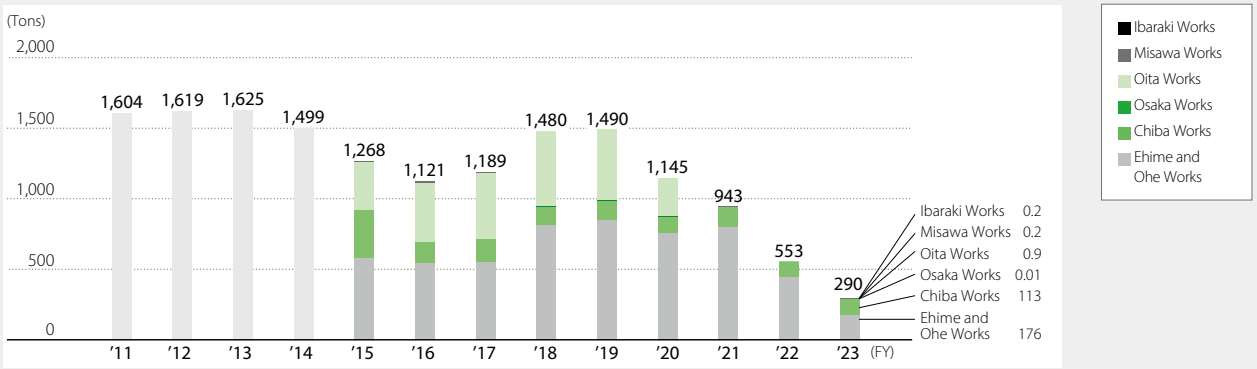
Preventing Pollution: Atmospheric Emissions of SOx, NOx, Soot, and Dust

In 1970, Sumitomo Chemical achieved a marked reduction in the release of SOx, NOx, soot, and dust into the atmosphere, and continued to maintain low levels of emissions from 1980 to the present. Furthermore, the Company has concluded cooperative agreements with local municipal governments at each of its Works, establishing voluntary control levels that are stricter than the standards given under applicable laws and regulations.

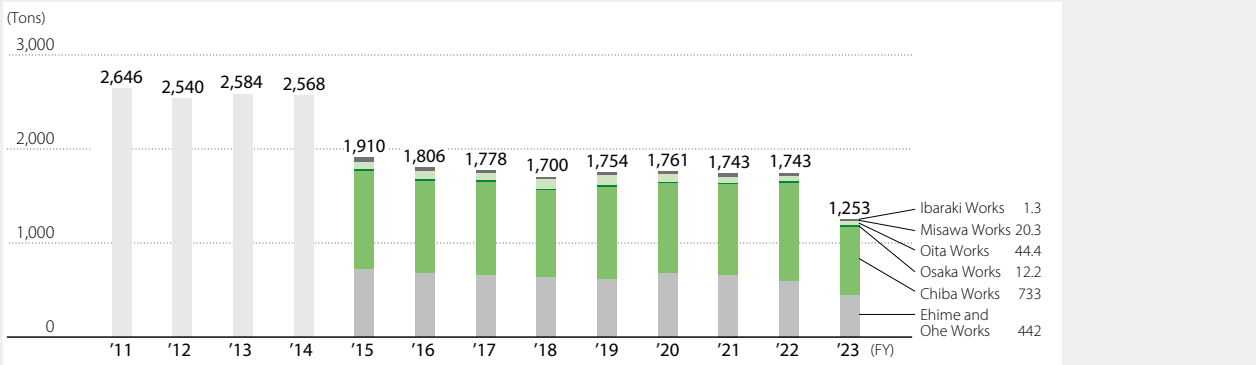
Note: Data for the Gifu Plant and Okayama Plant from fiscal 2004 to fiscal 2012 is included in Osaka Works. Data for the Gifu Plant and Okayama Plant from fiscal 2013 is included in Oita Works.

Target	Continue to sustain levels below voluntary control standard values.

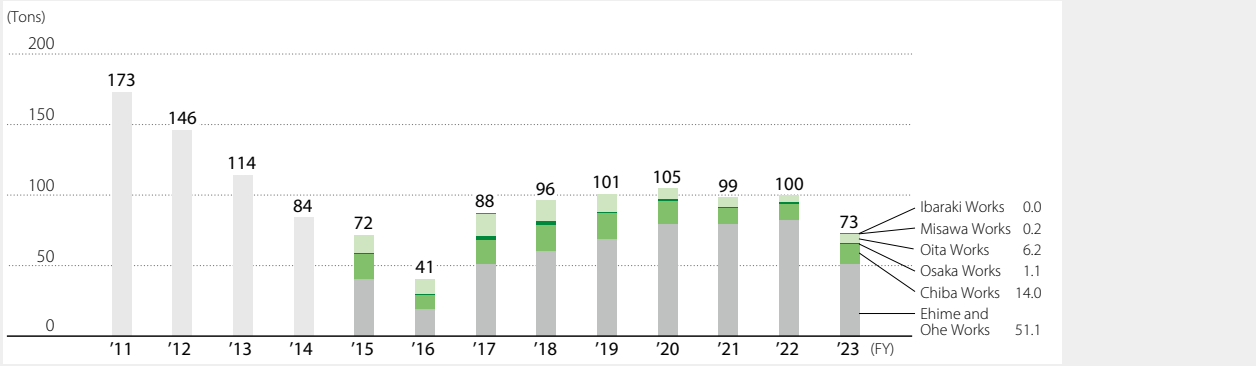
SOx Emissions (Sumitomo Chemical)



NOx Emissions (Sumitomo Chemical)



Soot and Dust Emissions (Sumitomo Chemical)



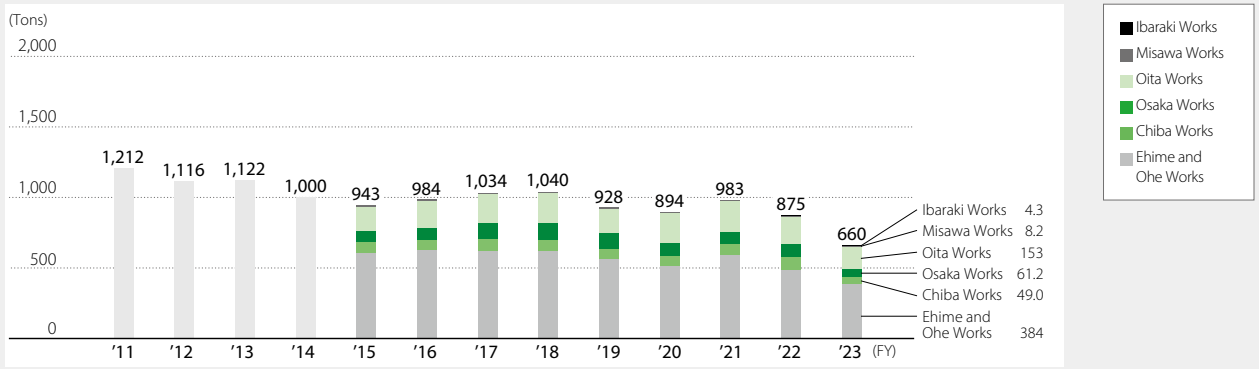
Water Emissions of COD, Nitrogen, and Phosphorus

A number of measures have been implemented to cut emissions, in line with fifth-generation Water Quality Standards, and emissions of COD, nitrogen, and phosphorus into waterways have been significantly reduced since fiscal 2004. Sumitomo Chemical has also concluded cooperative agreements with local municipal governments to establish voluntary control levels for COD, nitrogen, and phosphorus released into waterways at each Works. These standards are also stricter than those established under applicable laws and regulations.

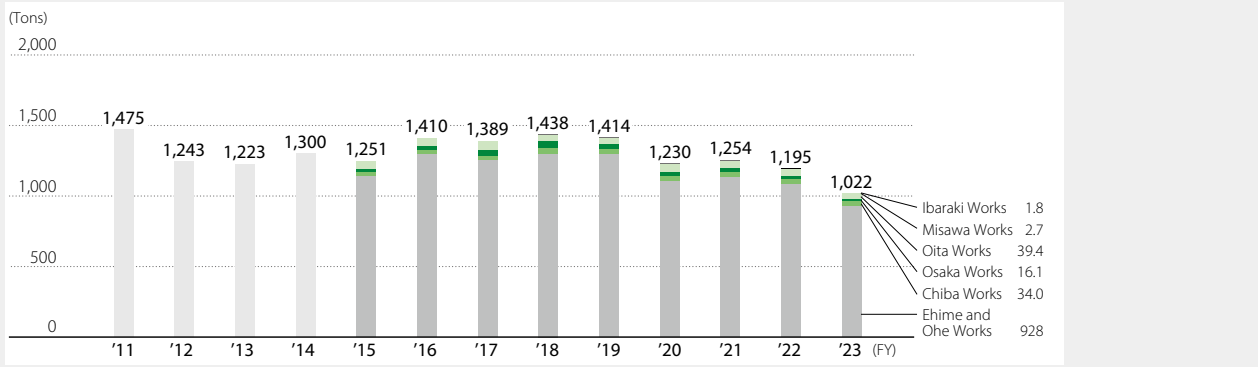
Note: Data for the Gifu Plant and Okayama Plant from fiscal 2004 to fiscal 2012 is included in Osaka Works. Data for the Gifu Plant and Okayama Plant from fiscal 2013 is included in Oita Works.

Target	Continue to sustain levels below voluntary control standard values.

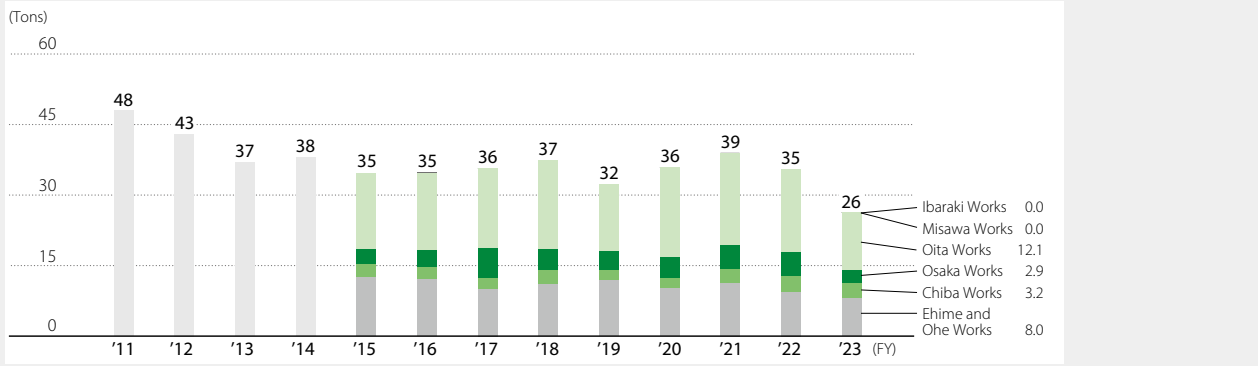
COD Emissions (water emissions include water discharge to sewage systems) (Sumitomo Chemical)



Nitrogen Emissions (Sumitomo Chemical)



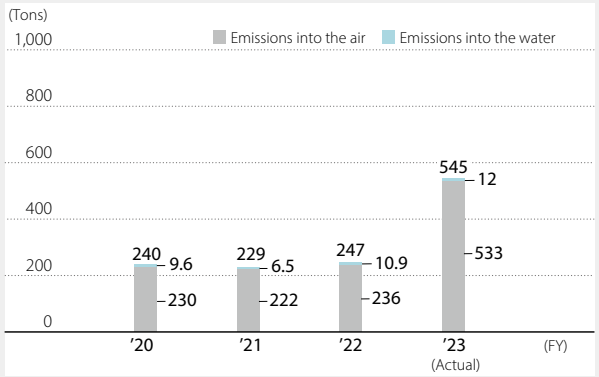
Phosphorus Emissions (Sumitomo Chemical)



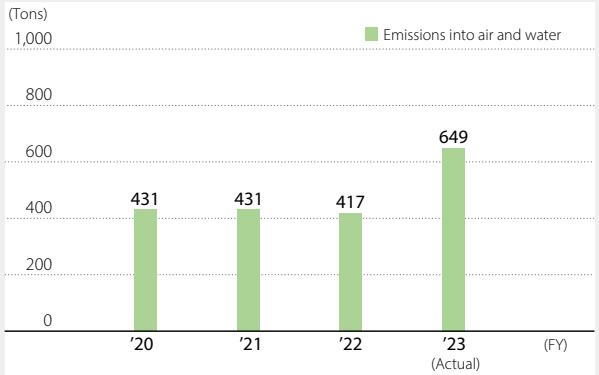
Addressing PRTR and VOCs

Trends in Emissions of Substances Subject to the PRTR Act*1

Sumitomo Chemical



Sumitomo Chemical and Group Companies in Japan



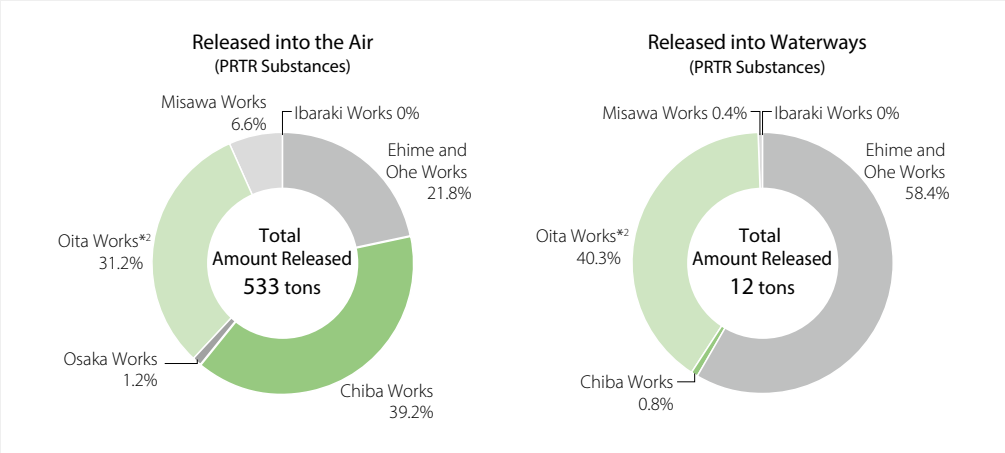
*1 The number of substances subject to the PRTR Act increased from 354 to 462 in April 1, 2023.

FY2023 Release and Transfer of PRTR Substances*1 (Sumitomo Chemical and Group Companies in Japan)

(Tons)

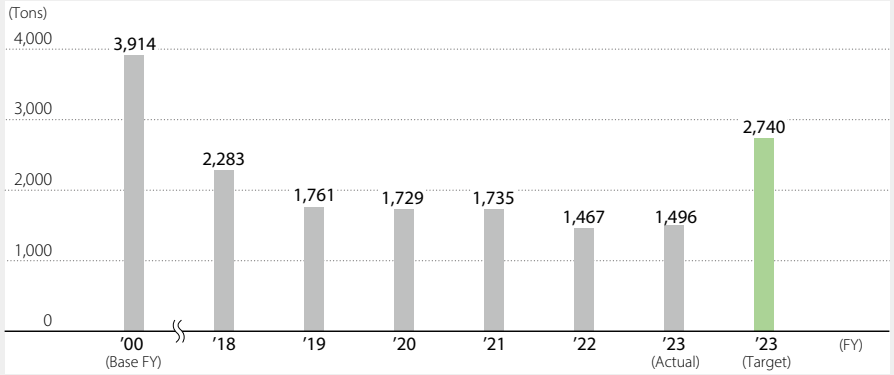
	Released			Transferred		
	Air	Water	Subtotal	Sewage	Waste	Subtotal
PRTR substances						
Sumitomo Chemical (150 substances)	533	12	545	4.2	4,145	4,149
Sumitomo Chemical and Group companies in Japan	635	14	649	6.0	6,554	6,560

FY2023 PRTR*1 Substances Released by Works (Sumitomo Chemical)



*2 Data for the Oita Works includes data for the Gifu and Okayama plants.

Initiatives to Reduce Emissions of Volatile Organic Compounds (VOCs) (Sumitomo Chemical)



Target	Maintain a 30% reduction in VOC emissions compared with fiscal 2000.
Results	Reduced emissions by 1,496 tons, or 61.8%, compared with fiscal 2000 by fiscal 2023, achieving the target.

Addressing Fluorocarbons

Calculated Emissions for Fluorocarbons (Sumitomo Chemical: All Worksites)

(tons-CO_2e)

	FY2019	FY2020	FY2021	FY2022	FY2023
Calculated Emissions	9,354	4,362	5,100	5,844	4,051

Number of Refrigeration Units That Use Specified CFCs and HCFCs as Coolants (Sumitomo Chemical and Group Companies in Japan) as of the End of Fiscal 2023

(Number of Units)

	Sumitomo Chemical	Sumitomo Chemical and Group Companies in Japan
CFC11	5	5
CFC12	10	17
CFC13	0	0
CFC115	2	2
HCFC22	32	190
HCFC123	16	23
HCFC124	1	1

Target	• Eliminate the use of refrigeration units that use specified CFCs as coolants by fiscal 2025. • Eliminate the use of refrigeration units that use HCFCs as coolants by fiscal 2045.

P.103 Protecting the Atmospheric Environment

Response to the Pollutant Release and Transfer Register Ordinance (Issued on November 21, 2008)

The number of substances subject to the PRTR Act increased from 354 to 462 in April 1, 2023.

(Tons, Dioxins: mg-TEQ)

No.	Name of Chemical Compound	Amount Released					Amount Transferred		
		Air	Water	Soil	Landfill	Total	Sewage	Waste	Total
1	Zinc compounds (water-soluble)	0.0	5.6	0.0	0.0	5.6	0.0	106.4	106.4
2	Acrylic acid and its water-soluble salts	<0.1	0.0	0.0	0.0	<0.1	0.0	0.0	0.0
3	Methyl acrylate	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0
4	Acrylonitrile	3.2	0.0	0.0	0.0	3.2	0.0	0.0	0.0
5	Acrolein	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Acetaldehyde	0.1	<0.1	0.0	0.0	0.1	0.0	0.0	0.0
7	Aniline	0.7	0.0	0.0	0.0	0.7	0.0	46.0	46.0
8	2-Aminoethanol	<0.1	0.1	0.0	0.0	0.1	0.0	29.0	29.0
9	5-amino-1-[2,6-dichloro-4-(trifluoromethyl) phenyl]-3-cyano-4-[(trifluoromethyl)sulfinyl] pyrazole	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	allyl alcohol	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
11	n-alkylbenzenesulfonic acid and its salts(alkyl C=10-14)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	isoprene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13	O-ethyl O-(6-nitro-m-tolyl) sec-butylphosphoramidothioate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	O-ethyl O-4-nitrophenyl phenylphosphonothioate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Ethylbenzene	2.1	0.1	0.0	0.0	2.2	0.0	21.6	21.6
16	epichlorohydrin	1.4	0.0	0.0	0.0	1.4	0.0	0.0	0.0
17	1,2-epoxypropane	0.0	<0.1	0.0	0.0	<0.1	0.0	0.0	0.0
18	1-octanol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	cadmium and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	xylene	3.5	0.0	0.0	0.0	3.6	0.0	22.1	22.1
21	quinoline	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	cumene	2.2	<0.1	0.0	0.0	2.2	0.0	0.0	0.0
23	cresol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	chromium and chromium(III) compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	chromium(VI) compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	chloroethylene	21.3	0.0	0.0	0.0	21.3	0.0	0.0	0.0
27	chloroacetic acid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	chlorodifluoromethane	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0
29	2-chloro-4,6-bis(ethylamino)-1,3,5-triazine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	3-chloropropene	1.6	0.0	0.0	0.0	1.6	0.0	17.8	17.8
31	chlorobenzene	6.2	<0.1	0.0	0.0	6.2	0.0	114.4	114.4
32	chloroform	0.4	0.0	0.0	0.0	0.4	0.0	210.2	210.2
33	2-ethoxyethyl acetate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	vinyl acetate	20.6	<0.1	0.0	0.0	20.6	0.0	0.0	0.0
35	inorganic cyanide compounds (except complex salts and cyanates)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	2-(diethylamino)ethanol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
37	S-4-chlorobenzyl N,N-diethylthiocarbamate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
38	tetrachloromethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	1,4-dioxane	0.0	0.0	0.0	0.0	0.0	<0.1	115.7	115.7
40	Cyclohexane	39.1	0.0	0.0	0.0	39.1	0.0	<0.1	<0.1
41	cyclohex-1-ene-1,2-dicarboxi-midomethyl (1RS)-cis-trans-2,2-dimethyl-3-(2-methylprop-1-enyl) cyclopropanecarboxylate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
42	cyclohexylamine	0.0	0.1	0.0	0.0	0.1	0.0	3.6	3.6
43	1,2-dichloroethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
44	1,1-Dichloroethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
45	dichlorodifluoromethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
46	2,2-dichloro-1,1,1-trifluoroethane	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0
47	1,2-dichloropropane	0.0	0.0	0.0	0.0	0.0	0.0	426.0	426.0
48	1,3-dichloropropene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
49	dichlorobenzene	0.0	0.0	0.0	0.0	0.0	0.0	68.8	68.8
50	dichloromethane	0.1	0.0	0.0	0.0	0.1	0.0	21.6	21.6
51	N,N-Dicyclohexylamine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	dicyclopentadiene	0.1	0.0	0.0	0.0	0.1	0.0	8.4	8.4
53	O,O-dimethyl S-1,2-bis(ethoxycarbonyl) ethyl phosphorodithioate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
54	O,O-dimethyl S-(N-methylcarbamoyl) methyl phosphorodithioate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
55	2,4-dinitrophenol	0.0	0.0	0.0	0.0	0.0	0.0	39.4	39.4
56	2,6-di-tert-butyl-4-cresol	0.0	<0.1	0.0	0.0	<0.1	0.0	0.2	0.2

(Tons, Dioxins: mg-TEQ)

No.	Name of Chemical Compound	Amount Released					Amount Transferred		
		Air	Water	Soil	Landfill	Total	Sewage	Waste	Total
57	1,2-dibromoethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
58	(RS)-O,S-dimethyl acetylphosphoramidothioate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
59	N,N-dimethylacetamide	<0.1	<0.1	0.0	0.0	<0.1	0.0	10.7	10.7
60	dimethylamine	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
61	N,N-dimethylformamide	<0.1	<0.1	0.0	0.0	0.0	0.0	54.7	54.7
62	mercury and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
63	hydrogenated terphenyl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
64	styrene	2.1	0.0	0.0	0.0	2.1	0.0	0.0	0.0
65	selenium and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
66	dioxins	<0.1	<0.1	0.0	0.0	<0.1	<0.1	0.0	<0.1
67	thiourea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
68	O,O-dimethyl O-3-methyl-4-nitrophenyl phosphorothioate	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
69	tetrachloroethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
70	Tetrahydrofuran	0.6	<0.1	0.0	0.0	0.7	0.0	247.3	247.3
71	tetraethylthiuram disulfide	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
72	terephthalic acid	0.0	0.0	0.0	0.0	0.0	0.0	314.7	314.7
73	copper salts(water-soluble, except complex salts)	0.0	<0.1	0.0	0.0	<0.1	0.0	0.0	0.0
74	sodium dodecyl sulfate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
75	triethylamine	0.5	0.2	0.0	0.0	0.7	0.4	29.6	30.0
76	1,1,1-trichloroethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
77	1,1,2-trichloroethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
78	trichloroethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
79	trichlorofluoromethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
80	1,2,3-trichloropropane	<0.1	0.0	0.0	0.0	<0.1	0.0	8.8	8.8
81	Toluidine	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.5
82	toluene	73.5	0.2	0.0	0.0	73.7	0.3	1,568.8	1,569.1
83	naphthalene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
84	nickel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
85	nickel compounds	0.0	0.0	0.0	0.0	0.0	0.0	4.2	4.2
86	nitrobenzene	0.6	0.0	0.0	0.0	0.6	0.0	46.0	46.0
87	nitromethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
88	arsenic and its inorganic compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
89	hydrazine	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
90	hydroquinone	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
91	4-vinyl-1-cyclohexene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(Tons, Dioxins: mg-TEQ)

No.	Name of Chemical Compound	Amount Released					Amount Transferred		
		Air	Water	Soil	Landfill	Total	Sewage	Waste	Total
92	biphenyl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
93	pyridine	0.0	<0.1	0.0	0.0	<0.1	0.0	6.5	6.5
94	phenylenediamine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
95	phenol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
96	3-phenoxybenzyl 3-(2,2-dichlorovinyl)-2,2-dimethylcyclopropanecarboxylate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
97	1,3-butadiene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
98	bis(2-ethylhexyl)phthalate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
99	hydrogen fluoride and its water-soluble salts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	bromotrifluoromethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
101	1-bromopropane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
102	2-bromopropane	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0
103	bromomethane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
104	hexadecyltrimethylammonium chloride	<0.1	0.0	0.0	0.0	<0.1	0.0	0.0	0.0
105	n-hexane	10.5	<0.1	0.0	0.0	10.5	0.0	46.8	46.8
106	water-soluble salts of peroxodisulfuric acid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
107	benzyl chloride	<0.1	0.0	0.0	0.0	<0.1	0.0	0.0	0.0
108	benzaldehyde	0.0	0.0	0.0	0.0	0.0	0.0	1.9	1.9
109	benzene	0.2	0.2	0.0	0.0	0.4	0.0	0.0	0.0
110	boron compounds	<0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0
111	polychlorinated biphenyls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
112	poly(oxyethylene)alkyl ether(alkyl C=12-15)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
113	formaldehyde	0.3	<0.1	0.0	0.0	0.3	2.9	0.0	2.9
114	manganese and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
115	phthalic anhydride	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
116	Methacrylic acid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
117	methyl methacrylate	8.9	0.0	0.0	0.0	8.9	0.0	56.7	56.7
118	(Z)-2'-methylacetophenone 4,6-dimethyl-2-pyrimidinylhydrazone	0.0	2.2	0.0	0.0	2.2	0.0	0.0	0.0
119	α-methylstyrene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
120	methylnaphthalene	1.5	0.0	0.0	0.0	1.5	0.0	0.0	0.0
121	N-Methyl-2-pyrrolidone	7.0	0.2	0.0	0.0	7.2	0.0	217.9	217.9
122	molybdenum and its compounds	0.0	<0.1	0.0	0.0	<0.1	0.0	0.1	0.1
123	Dimethyl sulfate	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0
124	triphenyl phosphate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(Tons, Dioxins: mg-TEQ)

No.	Name of Chemical Compound	Amount Released					Amount Transferred		
		Air	Water	Soil	Landfill	Total	Sewage	Waste	Total
125	(S)-alpha-cyano-3-phenoxybenzyl (S)-2-(4-chlorophenyl)-3-methylbutyrate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
126	2-Ethylhexyl acrylate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
127	Mixture of polyaddition products of oxirane to alkan-1-amine (limited to those the alkane is linear chain and C=8,10,12,14,16 or 18 and the mixture thereof), polyaddition products of oxirane to (Z)-octadec-9-en-1-amine and polyaddition products of oxirane to (9Z,12Z)-octadeca-9,12-dien-1-amine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
128	alpha-Alkyl-omega-hydroxypoly(oxyethane-1,2-diyl) (limited to those the alkyl group is C=16-18 and the mixture thereof, and the number average molecular weight is less than 1,000), alpha-alkenyl-omega-hydroxypoly(oxyethane-1,2-diyl) (limited to those the alkenyl group is C=16-18 and the mixture thereof, and the number average molecular weight is less than 1,000), and the mixture thereof	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
129	alpha-Alkyl-omega-hydroxypoly[oxyethane-1,2-diyl/oxy(methylethane-1,2-diyl)] (limited to mixture of those the alkyl group is branched chain and C=9-11 (limited to those the alkyl group is consists of C=10 as a major component))	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130	5-Ethyl-5,8-dihydro-8-oxo-[1,3] dioxolo[4,5-g]quinoline-7-carboxylic acid (synonym: Oxolinic acid)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
131	Ethylenediaminetetraacetic acid and its potassium and sodium salts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
132	Octamethylcyclotetrasiloxane	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
133	1-(2-Chloroimidazo[1,2-a]pyridin-3-ylsulfonyl)-3-(4,6-dimethoxypyrimidin-2-yl) urea (synonym: Imazosulfuron)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
134	(RS)-5-Chloro-N-(1,3-dihydro-1,1,3-trimethylisobenzofuran-4-yl)-1,3-dimethyl-1H-pyrazole-4-carboxamide (synonym: Furametpyr)	0.0	0.4	0.0	0.0	0.4	0.0	0.0	0.0

(Tons, Dioxins: mg-TEQ)

No.	Name of Chemical Compound	Amount Released					Amount Transferred		
		Air	Water	Soil	Landfill	Total	Sewage	Waste	Total
135	(E)-1-(2-Chloro-1,3-thiazol-5-ylmethyl)-3-methyl-2-nitroguanidine (synonym: Clothianidin)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
136	1,2-Dichloroethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
137	O-(2,6-Dichloro-p-tolyl) O,O-dimethyl phosphorothioate (synonym: Tolclofos-methyl)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
138	N-(3,5-Dichlorophenyl)-1,2-dimethylcyclopropane-1,2-dicarboximide (synonym: Procymidone)	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.2
139	1,2-Dimethoxyethane	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
140	O-4-Cyanophenyl O,O-dimethyl thiophosphate (synonym: Cyanophos or CYAP)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
141	Trimethylbenzene	0.3	0.0	0.0	0.0	0.3	0.0	0.0	0.0
142	Lead and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
143	Paraformaldehyde	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
144	N,N-Bis(2-hydroxyethyl)alkanamide (limited to those the alkane is linear chain and C=8, 10, 12, 14, 16 or 18 and mixture thereof), (Z)-N,N-bis(2-hydroxyethyl)octadec-9-enamide and (9Z,12Z)-N,N-bis(2-hydroxyethyl) octadeca-9,12-dienamide and mixture thereof	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
145	(1-Hydroxyethane-1,1-diyl)diphosphonic acid and its potassium salt and sodium salt	0.0	2.2	0.0	0.0	2.2	0.0	0.0	0.0
146	1-Hexene	127.5	0.0	0.0	0.0	127.5	0.0	0.0	0.0
147	Heptane	51.9	<0.1	0.0	0.0	51.9	0.0	67.9	67.9
148	Acetic anhydride	1.0	0.0	0.0	0.0	1.0	0.0	42.3	42.3
149	Methyl isobutyl ketone	142.0	0.1	0.0	0.0	142.1	0.1	150.5	150.6
150	2-(2-Methoxyethoxy)ethanol	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		533	12	0.0	0.0	545	3.8	4,140	4,144

Waste Reduction

PCB Waste (Sumitomo Chemical and Group Companies in Japan)

Storage and Control of High Concentrations of PCB Waste as of the End of Fiscal 2023

	Number of units of PCB waste			Volume of PCBs (kl)
	Total	Storage	Usage	
Sumitomo Chemical	0	0	0	0
Sumitomo Chemical and Group Companies in Japan	0	0	0	0

Note: The volume of PCBs does not include minute amounts of PCB waste in the PCB net conversion amount. High concentrations of PCBs in such classes of materials as fluorescent lamps, mercury lamp ballast, and contaminated substances (wastepaper, etc.) fall outside the scope of collation.

Target

Properly collect and store high-concentration PCB-containing waste and complete treatment of this waste at an early date.

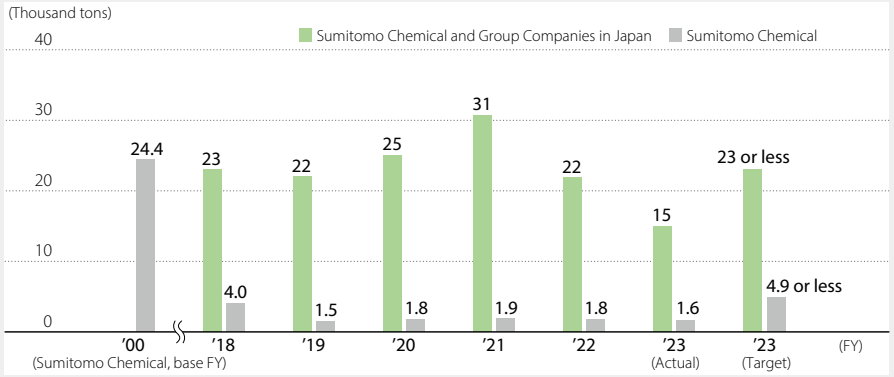
Results

Sumitomo Chemical: As of March 31, 2021, the treatment of all high-concentration PCB-containing waste that had been stored and used has been completed.
Group companies in Japan: As of March 31, 2022, the treatment of all high-concentration PCB-containing waste that had been stored and used has been completed.

In accordance with the Act on Special Measures against PCB Waste, Sumitomo Chemical properly collects high-concentration polychlorinated biphenyl (PCB)-containing waste.* The Company then stores this industrial waste, which is subject to special controls, in specified areas within the Company's waste storage facilities, subsequently ensuring strict control of this waste. Sumitomo Chemical completed treatment of all of its PCB-containing waste ahead of the legally prescribed deadline.

* Transformers, capacitors, and other electronic devices that contain PCB insulating oil.

Landfill Disposal Amount (Sumitomo Chemical and Group Companies in Japan)



Target

Sumitomo Chemical: Maintain landfill disposal amount of no more than 4.9 thousand tons, 80% less than the fiscal 2000 levels.
Sumitomo Chemical and Group Companies in Japan: Maintain landfill disposal amount of no more than 23 thousand tons, less than the fiscal 2020 levels.

Results

Sumitomo Chemical, Sumitomo Chemical and Group companies in Japan all achieved the target.

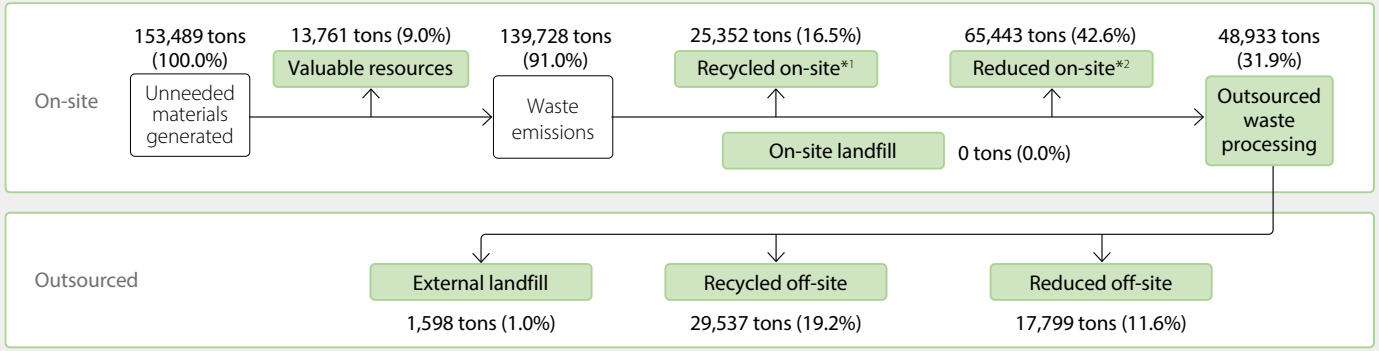
Digitization of Manifests to Be Prepared Pursuant to the Waste Management and Public Cleansing Act (Sumitomo Chemical)

	Number of manifests issued	Number of manifests digitized	Digitization rate (%)
FY2016	19,868	19,594	99
FY2017	19,858	19,585	99
FY2018	20,598	20,355	99
FY2019	19,835	19,726	99
FY2020	20,735	20,675	99
FY2021	23,027	22,961	99
FY2022	22,196	22,179	99
FY2023	20,423	20,409	99

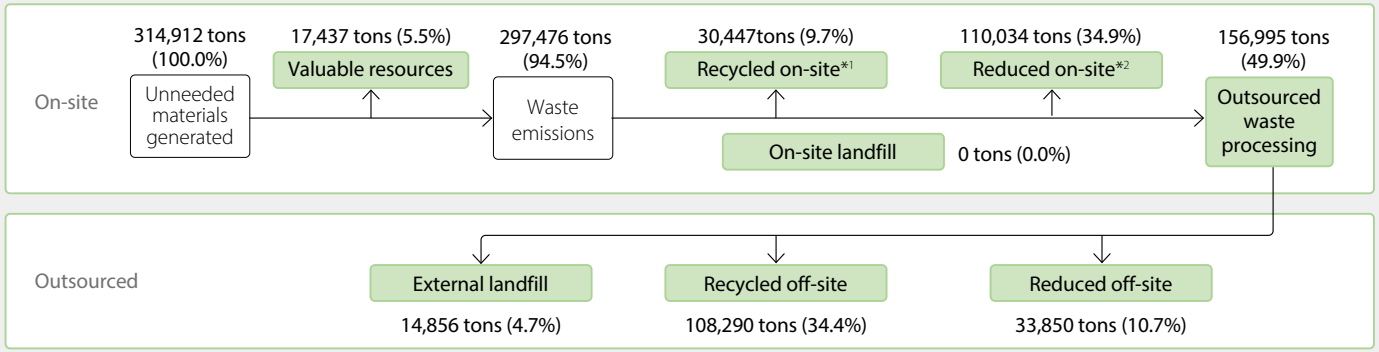
Sumitomo Chemical has been fostering the digitization of manifests to improve operational efficiency and ensure compliance with the law and transparency of data.

Waste Disposal Flow Chart and FY2023 Results

(Sumitomo Chemical)



(Sumitomo Chemical and Group Companies in Japan)



Note: The waste amount for Sumitomo Chemical and Group companies in Japan accounts for around 80% of the entire Group total, which includes overseas Group companies.

*1 Recycled waste: Total amount of waste that was reused, recycled, or thermally recycled

*2 Reduced waste: Total amount of waste reduced through incineration, etc.

FY2023 Results by Item in Connection with the Disposal of Waste (Sumitomo Chemical)

(Tons)

Type	Waste emissions	Recycled on-site		Reduced on-site		Outsourced waste processing	On-site landfill	Reduced off-site	Recycled off-site		External landfill	Valuable resources
		Reused, recycled	Thermally recycled	Incineration	Other				Reused, recycled	Thermally recycled		
Burnt residue	4,855.4	0.0	0.0	0.2	0.0	4,855.2	0.0	0.0	4,380.5	0.0	474.7	0.0
Sludge	40,427.9	0.1	7,045.1	15,839.6	1,826.1	15,717.0	0.0	4,431.7	10,515.4	439.9	329.8	0.0
Oil waste	33,539.3	2,863.5	8,933.2	10,499.2	0.0	11,243.4	0.0	5,350.9	4,869.8	870.0	152.9	204.0
Waste acid	6,807.0	0.0	1.9	4,506.8	783.0	1,515.2	0.0	1,337.3	108.4	37.4	32.1	537.9
Waste alkali	46,041.3	6,104.8	19.6	30,548.1	0.0	9,368.7	0.0	5,750.1	2,773.6	690.8	154.1	63.0
Waste plastic	4,420.6	0.0	329.8	529.0	0.0	3,561.7	0.0	477.0	2,560.2	210.7	314.3	6,030.4
Waste paper	997.4	0.0	53.7	810.0	0.0	133.7	0.0	0.8	132.9	0.0	0.0	178.8
Wood waste	820.2	0.0	0.0	100.7	0.0	719.4	0.0	37.0	397.0	284.1	1.4	5.6
Textile waste	5.3	0.0	0.0	0.0	0.0	5.3	0.0	4.5	0.8	0.0	0.0	0.0
Animal and plant residues	8.3	0.0	0.0	0.0	0.0	8.3	0.0	8.3	0.0	0.0	0.0	0.0
Metal waste	1,023.7	0.0	0.0	0.2	0.0	1,023.4	0.0	111.7	902.3	0.0	9.4	3,318.5
Glass and pottery waste	440.2	0.0	0.0	0.0	0.0	440.2	0.0	53.3	309.8	53.3	23.8	0.0
Slag	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debris	317.1	0.0	0.0	0.0	0.0	317.1	0.0	236.1	0.0	0.0	81.0	0.0
Soot and dust	24.4	0.0	0.0	0.0	0.0	24.4	0.0	0.0	0.0	0.0	24.4	3,422.9
Total	139,728	8,968	16,384	62,834	2,609	48,933	0	17,799	26,951	2,586	1,598	13,761

(Sumitomo Chemical and Group Companies in Japan)

(Tons)

Type	Waste emissions	Recycled on-site		Reduced on-site		Outsourced waste processing	On-site landfill	Reduced off-site	Recycled off-site		External landfill	Valuable resources
		Reused, recycled	Thermally recycled	Incineration	Other				Reused, recycled	Thermally recycled		
Burnt residue	8,238.1	0.0	0.0	0.2	0.0	8,238.0	0.0	2.2	6,535.8	1.0	1,699.0	0
Sludge	81,384.6	0.1	7,045.1	15,839.6	35,630.4	22,869.4	0.0	8,369.1	11,733.1	770.4	1,996.6	83
Oil waste	41,556.2	2,884.5	14,007.2	10,499.2	0.0	14,165.4	0.0	6,623.0	5,419.7	1,960.9	162.1	818
Waste acid	8,589.8	0.0	1.9	4,506.8	783.0	3,298.1	0.0	2,056.8	329.9	867.7	43.8	538
Waste alkali	68,398.8	6,104.8	19.6	41,334.8	0.0	20,939.5	0.0	15,028.8	3,776.4	1,852.2	282.0	63
Waste plastic	8,279.8	0.0	329.8	529.0	0.0	7,421.0	0.0	1,096.7	4,809.9	587.0	927.9	7,893
Waste paper	1,878.0	0.0	53.7	810.0	0.0	1,014.3	0.0	128.7	873.3	1.7	10.6	711
Wood waste	1,090.2	0.0	0.0	100.7	0.0	989.5	0.0	66.2	596.8	322.0	4.5	6
Textile waste	5.3	0.0	0.0	0.0	0.0	5.3	0.0	4.5	0.8	0.0	0.0	0
Animal and plant residues	11.6	0.0	0.0	0.0	0.0	11.6	0.0	8.3	0.0	3.4	0.0	0
Metal waste	1,147.8	0.0	0.0	0.2	0.4	1,147.2	0.0	161.5	967.3	0.6	17.8	3,870
Glass and pottery waste	502.0	0.0	0.0	0.0	0.0	502.0	0.0	68.0	324.9	56.1	53.0	1
Slag	25.2	0.0	0.0	0.0	0.0	25.2	0.0	0.0	0.0	0.0	25.2	0
Debris	580.8	0.0	0.0	0.0	0.0	580.8	0.0	236.1	0.9	0.0	343.8	0
Soot and dust	75,787.4	0.0	0.0	0.0	0.0	75,787.4	0.0	0.0	66,498.0	0.0	9,289.4	3,454
Total	297,476	8,989	21,457	73,620	36,414	156,995	0	33,850	101,867	6,423	14,856	17,437

FY2023 Categories of Hazardous* and Non-Hazardous Waste (Sumitomo Chemical)

(Tons)

Type	Waste emissions	Recycled on-site		Reduced on-site		Outsourced waste processing	On-site landfill	Reduced off-site	Recycled off-site		External landfill
		Reused, recycled	Thermally recycled	Incineration	Other				Reused, recycled	Thermally recycled	
Non-Hazardous Waste	53,340	0	7,429	17,280	1,826	26,806	0	5,361	19,199	988	1,259
Hazardous Waste	86,388	8,968	8,955	45,554	783	22,127	0	12,438	7,752	1,598	339

(Sumitomo Chemical and Group Companies in Japan)

(Tons)

Type	Waste emissions	Recycled on-site		Reduced on-site		Outsourced waste processing	On-site landfill	Reduced off-site	Recycled off-site		External landfill
		Reused, recycled	Thermally recycled	Incineration	Other				Reused, recycled	Thermally recycled	
Non-Hazardous Waste	178,931	0	7,429	17,280	35,631	118,592	0	10,141	92,341	1,742	14,368
Hazardous Waste	118,545	8,989	14,029	56,341	783	38,403	0	23,709	9,526	4,681	488

* Waste oil (including waste organic solvents), alkaline waste, acidic waste

Initiatives to Recycle and Reuse Plastic and Other Waste

Sumitomo Chemical is proactively working to recycle and reuse plastic and other waste.

Results of Recycling and Reusing Waste*1 (Sumitomo Chemical)

(Tons)

	2018	2019	2020	2021	2022	2023
Waste emissions	171,683	165,011	164,492	189,499	174,602	139,728
Amount internally reused	40,772	7,450	6,383	16,602	16,906	8,968
Amount of internally recovered heat	16,480	24,179	23,382	28,798	22,324	16,384
Outsourced waste processing	51,827	49,597	53,515	65,471	55,356	48,933
Amount externally reused	30,209	30,094	31,334	38,584	32,010	26,951
Amount of externally recovered heat	2,610	3,212	3,617	3,223	4,436	2,586
Non-consolidated recycling and reuse rate (%)	52.5	39.4	39.3	46.0	43.3	39.3

(Sumitomo Chemical and Group Companies in Japan)

(Tons)

	2018	2019	2020	2021	2022	2023
Waste emissions	368,837	364,614	377,062	446,397	405,298	297,476
Amount internally reused	24,832	36,485	33,711	49,003	16,922	8,989
Amount of internally recovered heat	0	0	0	0	27,032	21,457
Outsourced waste processing	244,450	231,563	247,908	276,071	232,013	156,995
Amount externally reused	194,098	189,338	195,737	213,309	173,416	101,867
Amount of externally recovered heat	0	0	0	0	9,903	6,423
Consolidated recycling and reuse rate in Japan (%)	59.4	61.9	60.9	58.8	56.1	46.6

*1 Amount of waste recycled and reused: Amount internally and externally reused + Amount of internally and externally recovered heat
Waste recycling and reuse rate: (Amount internally and externally reused + Amount of internally and externally recovered heat) / Waste emissions

Results of Recycling and Reusing Plastic Waste*2 (Sumitomo Chemical)

(Tons)

	2018	2019	2020	2021	2022	2023
Waste emissions	5,495	4,881	5,295	5,933	5,407	4,421
Amount internally reused	0	0	0	0	0	0
Amount of internally recovered heat	160	150	273	437	321	330
Outsourced waste processing	4,235	3,983	4,184	4,788	4,449	3,562
Amount externally reused	3,130	2,918	2,923	3,473	3,317	2,560
Amount of externally recovered heat	99	82	47	110	270	211
Non-consolidated recycling and reuse rate (%)	61.7	64.5	61.2	67.8	72.3	70.1

(Sumitomo Chemical and Group Companies in Japan)

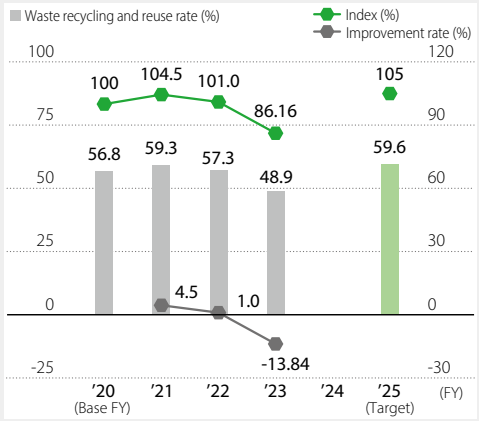
(Tons)

	2020	2021	2022	2023
Waste emissions	8,386	9,856	9,415	8,280
Amount internally reused	37	35	0	0
Amount of internally recovered heat	273	437	321	330
Outsourced waste processing	7,203	8,644	8,458	7,421
Amount externally reused	4,502	5,296	5,569	4,810
Amount of externally recovered heat	464	622	688	587
Consolidated recycling and reuse rate in Japan (%)	62.9	64.8	69.9	69.2

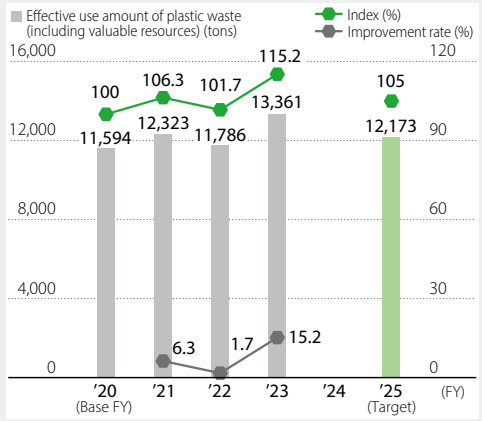
*2 Amount of plastic recycled and reused: Amount internally and externally reused + Amount of internally and externally recovered heat
Plastic recycling and reuse rate: (Amount internally and externally reused + Amount of internally and externally recovered heat) / Waste emissions

Common Environmental Protection and Management Targets (Japan)

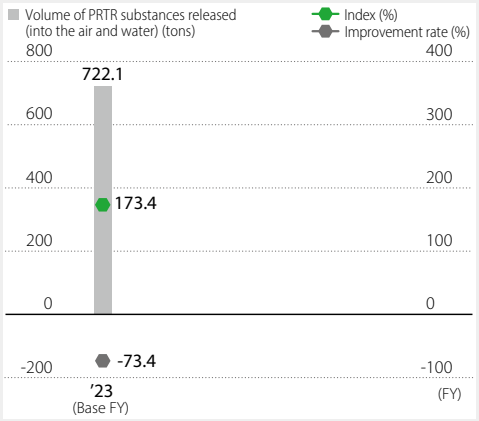
Waste recycling and reuse rate*1 (2020 = 100)



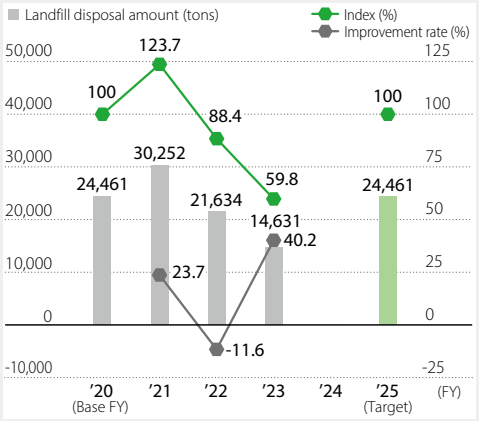
Effective Use Amount of Plastic Waste (including valuable resources)*2 (2020 = 100)



Volume of PRTR Substances Released (into the Air and Water) and PRTR Substance Emissions Indices (2023 = 100)



Landfill Disposal Amount and Landfill Disposal Indices (2020 = 100)



Improve the waste recycling and reuse rate

Target	Improve by 5% or more relative to fiscal 2020 by fiscal 2025.
Results	Worsened 13.8% relative to fiscal 2020 in fiscal 2023

*1 Waste recycling and reuse rate : (amount internally and externally reused + Amount of internally and externally recovered heat) /Waste emissions ×100

Improve the effective use amount of plastic waste

Target	Improve by 5% or more relative to fiscal 2020 by fiscal 2025.
Results	Improved by 15.2% relative to fiscal 2020 in fiscal 2023

*2 Effective use amount of plastic waste (including valuable resources) = (amount of valuable resources) + (amount of internally recycled and reused waste + amount of internally recovered waste heat) + (amount of externally recycled and reused waste + amount of externally recovered waste heat)

Reduction of volume of PRTR substances released

Target	Maintain emissions at or below the fiscal 2023*3
Results	—

*3 The new target will be set after fiscal 2023 to comply with the act's revision on April 1, 2023, which increased the number of subject substances from 354 to 462.

Reduction of landfill disposal amount

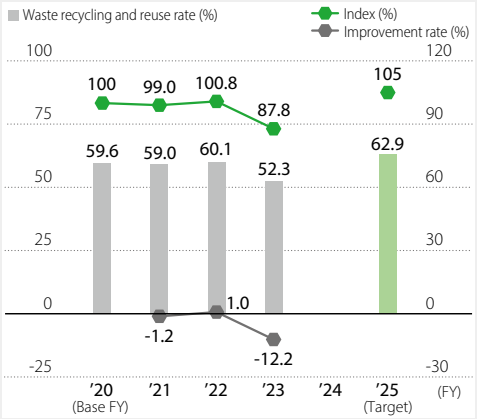
Target	Maintain landfill disposal amount at or below fiscal 2020 levels.
Results	The amount in fiscal 2023 decreased by 40.2% compared with fiscal 2020, achieving the target.

Note: **Sumitomo Chemical and the 17 Group companies in Japan listed below are included in the boundary of calculation.**

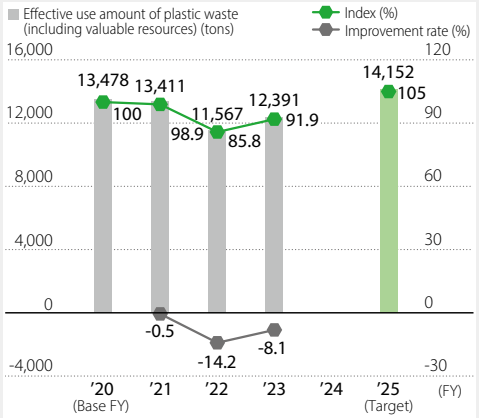
Sumika-Kakoushi Co., Ltd.; Sumika Color Co., Ltd.; Sumika Plastech Co., Ltd.; Nippon A&L Inc.; Asahi Chemical Co., Ltd.; Ceratec Co., Ltd.; SanTerra Co., Ltd.; Sumika Agro Manufacturing Co., Ltd.; Sumika Assembly Techno Co., Ltd.; SC Environmental Science Co., Ltd.; Sumika Agrotech Co., Ltd.; Nihon Medi-Physics Co., Ltd.; Sumitomo Joint Electric Power Co., Ltd.; SN Kasei Co., Ltd.; Sumika Polycarbonate Ltd.; Sanritz Corporation; and Sumika Kowa Tech Co., Ltd.

Common Environmental Protection and Management Targets (Overseas)

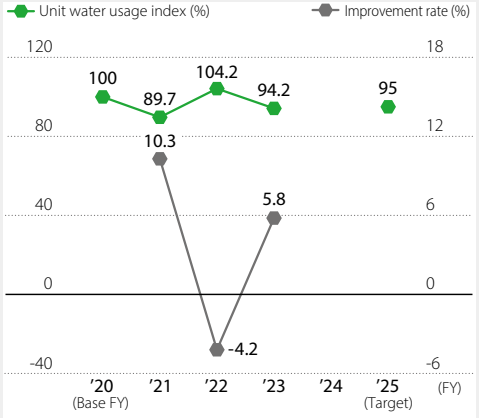
Waste recycling and reuse rate*1 (2020 = 100)



Effective Use Amount of Plastic waste (including valuable resources)*2 (2020 = 100)



Unit Water Usage Indices (2020 = 100)



Improve the waste recycling and reuse rate

Target	Improve by 5% or more relative to fiscal 2020 by fiscal 2025.
Results	Worsened 12.2% relative to fiscal 2020 in fiscal 2023

*1 Waste recycling and reuse rate : (amount internally and externally reused + Amount of internally and externally recovered heat) /Waste emissions ×100

Improve the effective use amount of plastic waste

Target	Improve by 5% or more relative to fiscal 2020 by fiscal 2025.
Results	Worsened 8.1% relative to fiscal 2020 in fiscal 2023

*2 Effective use amount of plastic waste (including valuable resources) = (amount of valuable resources) + (amount of internally recycled and reused waste + amount of internally recovered waste heat) + (amount of externally recycled and reused waste + amount of externally recovered waste heat)

Improvement in Unit Water Usage Indices

Target	Improve unit water usage indices by at least 1% annually on average.
Results	Improved by 5.8% relative to fiscal 2020 in fiscal 2023, achieving the target.

Note: **The following 29 Group companies overseas are included in the boundary of calculation:**

Singapore	• The Polyolefin Company (Singapore) Pte.Ltd. • Sumitomo Chemical Asia Pte Ltd (MMA&S-SBR)
Thailand	• Bara Chemical Co., Ltd. • Sumika Polymer Compounds (Thailand) Co., Ltd.
Vietnam	• Sumika Electronic Materials Vietnam Co., Ltd.
China	• Dalian Sumika Chemphy Chemical Co., Ltd. • Sumika Electronic Materials (Wuxi) Co., Ltd. • Sumika Electronic Materials (Hefei) Co., Ltd. • Sumika Huabei Electronic Materials (Beijing) Co., Ltd. • Sumika Electronic Materials (Xi'an) Co., Ltd. • Zhuhai Sumika Polymer Compounds Co., Ltd. • Dalian Sumika Jingang Chemicals Co., Ltd. • Sumika Electronic Materials (Changzhou) Co., Ltd. • Xuyou Electronic Materials (Wuxi) Co., Ltd. • Sumika Electronic Materials (Chongqing) Co., Ltd.
Taiwan	• Sumika Technology Co., Ltd. • Sumipex Techsheet Co., Ltd.
India	• Sumika Polymer Compounds India Co., Ltd.
South Korea	• Dongwoo Fine-Chem Co., Ltd. • SSLM Co., Ltd.
Australia	• Botanical Resources Australia Manufacturing Services Pty Ltd. • Botanical Resources Australia Agricultural Services Pty Ltd.
United States	• Sumitomo Chemical Advanced Technologies LLC • McLaughlin Gormley King Company • Valent BioSciences LLC • Sumika Polymer North America LLC
United Kingdom	• Sumika Polymer Compounds UK Co., Ltd.
Turkey	• Sumika Polymer Compounds Turkey Co., Ltd.
France	• Sumika Polymer Compounds France Co., Ltd.

Environmental Management System

Between 1997 and 2001, ISO 14001:1996 certification was obtained at all Works and continually maintained thereafter. Updated ISO 14001 certification was obtained later and all Works have been inspected on a continual basis to ensure the certification does not expire.

Acquisition of ISO 14001 Certification

1. Sumitomo Chemical (Acquisition Rate: 100%)

Works	Certificate Number	Certification Expiration Date
Ehime Works (including Ohe Works)	JCQA-E-0018	April 12, 2025
Chiba Works (including the SCIOCS Chiba Facility)	(KHK-)97ER・004	June 25, 2027
Osaka Works	JQA-E-90072	November 27, 2024
Oita Works (Gifu Plant)	JCQA-E-0206	December 24, 2024
Oita Works (Okayama Plant)	JCQA-E-0218	January 21, 2025
Oita Works	JQA-E-90152	March 30, 2025
Misawa Works	JQA-EM0355	December 12, 2025
Ibaraki Works	EC15J0024	March 24, 2027

2. Group Companies In Japan

Companies	Certificate Number	Certification Expiration Date
Sumika-Kakoushi Co., Ltd.	JCQA-E-0532	January 12, 2025
Nippon A&L Inc. (Ehime Works)	ISO14001—0076790	January 3, 2025
Nippon A&L Inc. (Chiba Works)	(KHK-)97ER・004	June 25, 2027
Asahi Chemical Co., Ltd.	JUSE-EG-717	February 26, 2027
Ceratec Co., Ltd.	JCQA-E-0018	April 12, 2025
Sumika Assembly Techno Co., Ltd.	JCQA-E-0018	April 12, 2025
Sumika Agro Manufacturing Co., Ltd. (Ehime Fertilizers Works)	JCQA-E-0018	April 12, 2025
Sumika Agro Manufacturing Co., Ltd. (Other Works)	13ER・925	August 5, 2027
Koei Chemical Co., Ltd.	JCQA-E-0969	March 11, 2026
Taoka Chemical Co., Ltd. (Ehime Works)	JCQA-E-0018	April 12, 2025
Taoka Chemical Co., Ltd. (Yodogawa Works)	JQA—EM3938	November 27, 2024
Tanaka Chemical Corporation	4526844	July 25, 2026
Sumitomo Pharma Co., Ltd. (Suzuka Works)	00ER-094	December 21, 2024
Sumitomo Pharma Co., Ltd. (Oita Works)	JQA-E-90152	March 30, 2025
Sumika Polycarbonate Limited	JCQA-E-0436	December 23, 2026
SANRITZ Co., Ltd.	JMAQA-E105	April 26, 2027
Sumika Kowa Tech Co., Ltd.	EMS 601582	December 26, 2025

3. Overseas Group Companies

Companies	Certificate Number	Certification Expiration Date
Bara Chemical Co., Ltd.	24120907002	August 29, 2027
SSLM Co., Ltd.	EAC-0617801	May 7, 2027
Sumitomo Chemical India Private Limited (Tarapur plant)	IND.23.5072/IM/U	April 2, 2026
Sumitomo Chemical India Private Limited (Vapi plant)	EMS 740097	March 9, 2027
Sumitomo Chemical India Private Limited (Bhavnaga Plant)	99 104 00704/02	October 10, 2024
Sumitomo Chemical India Private Limited (Gajod Plant)	99 104 00704/03	October 10, 2024
Sumitomo Chemical India Private Limited (Silvassa Plant)	99 104 00704/04	May 13, 2027
Sumitomo Chemical Advanced Technologies LLC	43631-2008-AE-USA-ANAB	June 2, 2026
Sumika Technology Co., Ltd.	EMS 89814	December 26, 2024
Dongwoo Fine-Chem Co., Ltd. (Pyeongtaek)	EAC-06003	July 9, 2024
Dongwoo Fine-Chem Co., Ltd. (Iksan)	KR15/02363	July 14, 2026
Dongwoo Fine-Chem Co., Ltd. (Samki)	KR20/81826429	August 22, 2025
Sumika Electronic Materials (Xi'an) Co., Ltd.	CN15/10718	September 8, 2024
Sumika Huabei Electronic Materials (Beijing) Co., Ltd.	19919E00003ROM	January 3, 2025
Sumika Electronic Materials (Wuxi) Co., Ltd.	64188-2009-AE-RCG-RVA	October 30, 2024
Sumika Electronic Materials (Changzhou) Co., Ltd.	CN20/10228	May 19, 2026
XUYOU Electronic Materials (Wuxi) Co., Ltd.	00220E34370R0M	December 24, 2026
Sumika Electronic Materials (Chongqing) Co., Ltd.	CN15/21719	December 6, 2024
Sumika Polymer Compounds (Thailand) Co., Ltd.	66 104 130035	September 9, 2025
Sumitomo Chemical Asia Pte Ltd (MMA plant)	10369744	June 30, 2027
Sumitomo Chemical Asia Pte Ltd (S-SBR plant)	SCS 102718EI	September 8, 2024
The Polyolefin Company (Singapore) Pte. Ltd.	SG05/00847	May 14, 2026
Zhuhai Sumika Polymer Compounds Co., Ltd.	CN13/30779	August 19, 2025
Sumika Polymer Compounds Dalian Co., Ltd.	CN14/10103	March 25, 2026

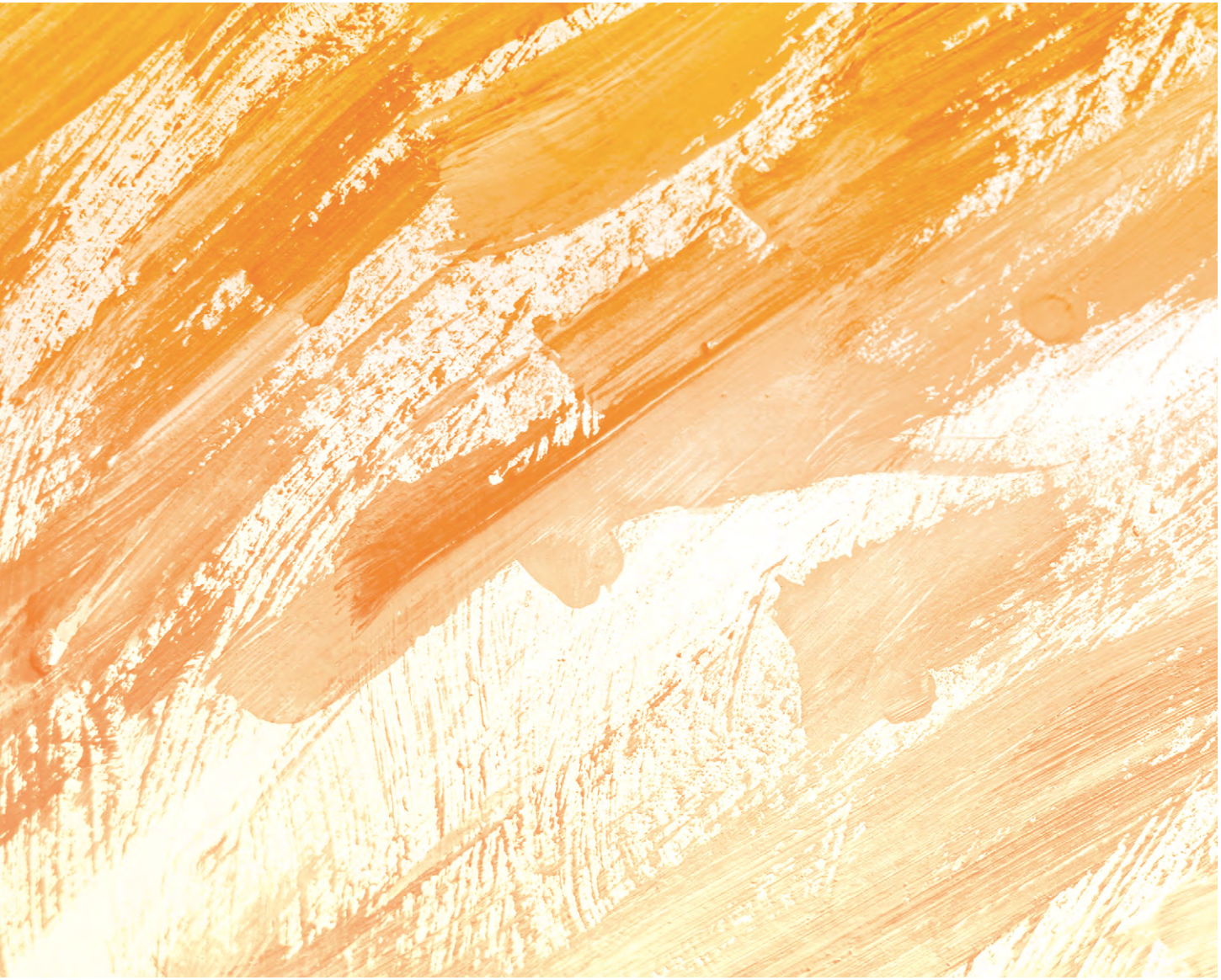
Note: Surveys are conducted once per year, and the above list is based on the survey results as of March 31, 2024

Energy Management System

Acquisition of ISO 50001 Certification

Works	Certificate Number	Certification Expiration Date
Dongwoo Fine-Chem Co., Ltd. (Pyeongtaek)	EN-0632901	October 13, 2025

Social



Contents

Contributing to the SDGs through Social Activities

Social Activity Goals and Results

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

Items		Boundary	Fiscal 2023 Goals	Fiscal 2023 Results	Evaluation	Fiscal 2024 Goals	Pages
Procurement		Sumitomo Chemical Group	• Thoroughly ensure compliance • Maintain and enhance sustainable procurement • Promote initiatives for respecting human rights in the supply chain	• Promoted thorough compliance among relevant internal and external parties • Promoted sustainable procurement by strengthening collaboration with suppliers through due diligence and meetings (Sumitomo Chemical results) • Promoted initiatives for respecting human rights by studying high-risk raw materials • Promoted initiatives for respecting human rights through detailed surveys using human rights questionnaires (Sumitomo Chemical results)	○	• Thoroughly ensure compliance • Maintain and enhance sustainable procurement • Promote initiatives for respecting human rights in the supply chain	Pages 142–146
HR Management		Sumitomo Chemical Group	Employ diverse human resources and further strengthen recruitment capabilities	Worked to carefully select and employ diverse, capable human resources by strengthening recruitment activities	○	Carefully select and employ diverse, excellent human resources and strengthen recruitment capabilities	Pages 147–164
		Sumitomo Chemical Group	Manage global human resources and work on workforce management that is responsive to business expansion	Appropriately placed human resources in response to business expansion, received new employees assigned from overseas Group companies and, systematically developed global human resources	○	Manage global human resources and work on workforce management that is responsive to business expansion	
		Sumitomo Chemical Group	Develop personnel and run HR systems to promote employee growth and development	Formulated action plans based on Sumika "Let's Do This Declaration," started an internal side job system, and expanded courses for SUMIKA Learning Square	○	Develop personnel and run HR systems to promote employee growth and development	
		Sumitomo Chemical Group	Promote sustainability, DE&I, and work-life balance	Promoted measures at each Group company based on the Group's Basic Principles on the Promotion of Diversity, Equity, and Inclusion and executed action plans based on the Sumika "Let's Do This Declaration"	○	Promoted work-life balance, DE&I, and health promotion measures	
Occupational Safety and Health / Industrial Safety and Disaster Prevention	Lost-workday injuries	Sumitomo Chemical	0	3	△	0	Pages 165–170
		Partner companies*1	0	4	△	0	
	Frequency rate of lost-workday injuries	Sumitomo Chemical Group*2	Less than 0.1	0.27	△	Less than 0.1	
	Severe accidents*3	Sumitomo Chemical Group*2	0	1	△	0	
	Severe industrial accidents*4	Sumitomo Chemical Group*5	0	2	△	0	
	Lost-workday injuries in logistics*6	Logistics	0	2	△	0	

Note: Further details are provided in the supplementary data (pages 188–195).

*1 A partner company injury is defined as one suffered within a Sumitomo Chemical worksite by an employee of a company affiliated with a subcontractor (including construction and logistics companies) or other company (including spot construction-related companies and delivery companies not included in an association).

*2 For the purposes of occupational safety and health, the Group is defined as Sumitomo Chemical (including its partner companies and others) and consolidated subsidiaries in Japan and overseas.

*3 Severe accidents are defined as those that result in a fatality or those that result in severe lost-workday injuries, including blindness or loss of a limb.

*4 "Severe industrial accidents" refers to any of the following workplace incidents:
- Accidents that cause injuries to local residents requiring outpatient/hospital treatment
- Accidents that result in lost-workday injuries to workers on the site
- Accidents that result in equipment and facility damage exceeding 10 million yen

*5 For the purposes of industrial safety and disaster prevention, the Group is defined as Sumitomo Chemical (including its partner companies and others) and consolidated Group companies in Japan and overseas.

*6 Lost-workday injuries in logistics are defined as those that are related to logistics and occur within Sumitomo Chemical worksites as well as those that caused by major logistics subcontractors outside of worksites.

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

Items		Boundary	Fiscal 2023 Goals	Fiscal 2023 Results	Evaluation	Fiscal 2024 Goals	Pages
Product Stewardship / Product Safety / Quality Assurance	Laws and regulations	Sumitomo Chemical	Continue to act precisely in accordance with domestic and overseas laws and regulations	Acted precisely in accordance with relevant laws and regulations	○	Continue to act precisely in accordance with domestic and overseas laws and regulations	
	Chemicals management and information disclosure	Sumitomo Chemical	Continue to promote risk-based chemicals management and information disclosure	Systematically put in place risk assessment methods	○	Continue to promote risk-based chemicals management and information disclosure	
	Chemical management system	Sumitomo Chemical	Continue to promote utilization of the Comprehensive Chemical Management System (SuCCESS) and develop concrete plans for expansion to Group companies	As part of our efforts to promote utilization of SuCCESS, 15 Group companies in Japan use the system. We use SuCCESS to calculate the manufactured volumes reported to the government under the chemical substances control law via a substance volume tracking (SVT) system as well as to calculate exported volumes in response to overseas regulations	○	Continue to promote utilization of SuCCESS and develop concrete plans for expansion to Group companies	Pages 171–180
	Risk assessment	Sumitomo Chemical	Continue to steadfastly perform product safety risk assessments	Performed 58 product risk assessments	○	Continue to steadfastly perform product safety risk assessments	
	Logistics quality-related incidents	Sumitomo Chemical*	No Rank A or Rank B incidents, two or fewer Rank C incidents	No Rank A or Rank B incidents, no Rank C incidents	○	No Rank A or Rank B incidents, two or fewer Rank C incidents	
Contributions to Communities		Sumitomo Chemical Group	Provide support to achieve the United Nations Sustainable Development Goals	• Provided support for tree-planting activities and education through Matching Gift programs • Support for solving Environmental issues in Africa	○	Provide support to achieve the United Nations Sustainable Development Goals	Pages 181–187
		Sumitomo Chemical Group	Provide prompt and precise support in response to emergencies and disasters in Japan and overseas	Support for the 2024 Noto Peninsula Earthquake	○	Provide prompt and precise support in response to emergencies and disasters in Japan and overseas	
		Sumitomo Chemical Group	Promote community contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace	• Participated in and cooperated with local events, held science workshop classes, held plant tours, etc. • Donation support	○	Promote community contribution activities distinctive to the Sumitomo Chemical Group by leveraging the strengths of each workplace	
		Sumitomo Chemical Group	Continue to expand information disclosure using SDGs and promote interactive dialogue	Continued to expand information disclosure using SDGs and promote interactive dialogue	○	Continue to expand information disclosure using SDGs and promote interactive dialogue	

Note: Further details are provided in the supplementary data (page 195).

* Includes some Group companies in Japan that have Works within a Sumitomo Chemical worksite.

Respect for Human Rights

Basic Stance

Sumitomo Chemical regards respect for human rights as part of the foundation for business continuation. We are continuing to make a Group-wide effort to address this as a material issue to be addressed as management priorities, and provide disclosures on our measures and progress. In order to accelerate its efforts on human rights, Sumitomo Chemical formulated the Sumitomo Chemical Group Human Rights Policy in April 2019, based on the Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global Compact, and the United Nations Guiding Principles on Business and Human Rights. At the same time, we established the Human Rights Promotion Committee, a committee tasked with promoting our human rights initiatives. In order to pursue a Group-wide effort to respect human rights, we are committed to ensuring that all Group companies in Japan and overseas are fully aware of the Human Rights Policy and take action on these principles.

Sumitomo Chemical Group Human Rights Policy
(Effective April 1, 2019)

This policy was formulated based on the advice of outside human rights experts with practical experience.

How to Make Use of Speak Up System

https://www.sumitomo-chem.co.jp/english/sustainability/governance/compliance/forms/

Sumitomo Chemical Group (Sumitomo Chemical Co., Ltd. and its Group Companies) has put in place this Human Rights Policy ("Policy") to demonstrate its commitment to international standards on human rights. All directors, executive officers and employees ("Personnel") of the Sumitomo Chemical Group will uphold this Policy.

1. Our Position on Human Rights

(1) Compliance with Standards, Laws and Regulations

We support and respect international standards on human rights, such as the Universal Declaration of Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and promote respect for human rights in line with the United Nations Guiding Principles on Business and Human Rights. Sumitomo Chemical Co., Ltd. is a signatory to the United Nations Global Compact and supports its Ten Principles, which include human rights and labor.

We comply with applicable laws and regulations in countries and regions where we operate, and where local laws and regulations conflict with international standards, we will seek ways to honor the principles of internationally recognized human rights.

(2) Respect for Human Rights in Our Business Activities

We do not discriminate against individuals based on employment status, age, sex, ethnic or social origin, ancestry, nationality, disability, religion, beliefs, marital status, or any other status. We do not tolerate any form of harassment, including sexual harassment or workplace bullying. We also respect fundamental labor rights including freedom of association and the right to collective bargaining, and prohibit forced labor or child labor.

We are committed to respecting human rights in our business activities and also strive to avoid contributing to infringement of human rights. In order to prevent and mitigate human rights risks related to our business activities, we will take necessary measures, including ensuring compliance with the Compliance Manual (the Sumitomo Chemical Code of Business Conduct) and other relevant policies and guidelines. We are also committed to understanding our impact on local communities and aim for harmonious coexistence with these communities.

We expect our business partners, including our suppliers, and other relevant stakeholders to act in line with the principles in this Policy, and we will seek ways to work with them to promote respect for human rights.

2. Our Approach to Human Rights Issues

(1) Providing Education and Raising Awareness

We will provide appropriate education and training to our Personnel so that this Policy is understood and effectively implemented.

(2) Human Rights Due Diligence

We will identify adverse human rights impacts, and seek to prevent or mitigate such impacts though our human rights due diligence framework.

(3) Responding to Identified Human Rights Impacts

We will engage with relevant stakeholders in order to address actual or potential adverse human rights impacts.

(4) Remedy

Where we identify that we have caused or contributed to adverse human rights impacts, we will endeavor to remediate such impacts through appropriate processes.

(5) Grievance Mechanisms

We have grievance mechanisms in place in the form of the Speak-Up System (whistle-blowing channels) in order to address concerns about activities that may adversely impact human rights or any other concerns raised about our business activities. These channels are available for anyone having involvement in Sumitomo Chemical Group's business activities, including their business partners as well as Sumitomo Chemical Group Personnel and their families. We will continuously seek to optimize our grievance mechanisms.

(6) Disclosure

We will report on our efforts to respect human rights including through our website, integrated report, Sustainability Data Book, and other relevant channels.

Note: From FY2024, the "Sustainability Data Book" has been renamed to "Sustainability Report."

Announcement of the Group Statement Based on Human Rights Laws and Regulations

We at the Sumitomo Chemical Group, as a globally operating corporation, have announced a Group statement on our efforts to address risks related to modern slavery and human trafficking in our business activities and supply chain. This statement is based on laws and regulations in various countries with regard to respect for human rights and the prevention of modern slavery and human trafficking, including the Modern Slavery Act of the United Kingdom, the Modern Slavery Act of Australia, the California Transparency in Supply Chains Act of the United States, and Fighting Against Forced Labour and Child Labour in Supply Chains Act of Canada.

Compliance with the Laws and Regulations involving Respect for Human Rights World-wide

https://www.sumitomo-chem.co.jp/english/sustainability/society/human_rights/statement/

Management System

Human Rights Promotion Committee

Sumitomo Chemical has established the Human Rights Promotion Committee as its organization for promoting activities in compliance with the Human Rights Policy. In order to plan and implement measures to respect human rights across the entire value chain,*1 this committee consists of members from a broad range of related departments and functions. The senior executive officer in charge of corporate departments serves as chair, while from the business sectors, executive officers in charge of the Planning & Coordination Offices*2 of their respective departments participate as committee members.

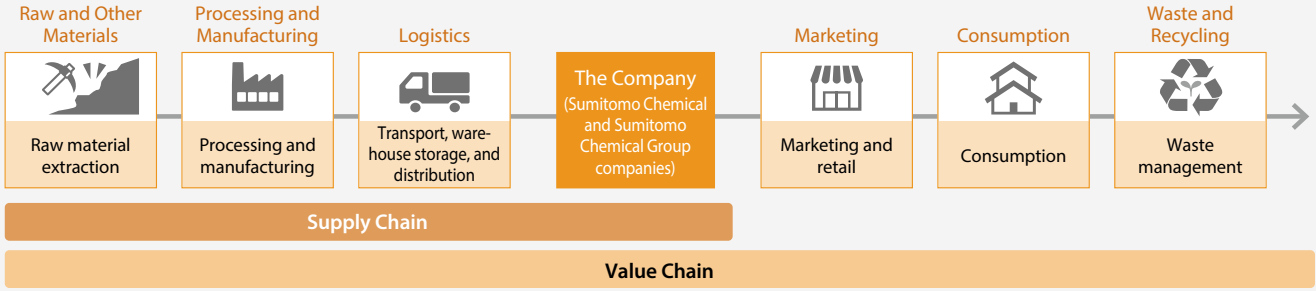
*1 Value chain is defined by ISO 26000, which is an international standard related to social responsibility, as an "entire sequence of activities or parties that provide or receive value in the form of products or services." See the explanation to the right for details.

*2 The Planning & Coordination Offices are departments in charge of matters related to the planning, technologies, and development of each business sector.

Roles of the Committee

(1) Formulation and implementation of measures regarding respect for human rights across the Group's value chain, including:
- — Formulation and publication of policies required by the Guiding Principles on Business and Human Rights and relevant national laws
- — Identification of human rights issues across the value chain, assessment of risks, and implementation of measures, including remedies, that are appropriate for specific issues and their associated risks (human rights due diligence and relief efforts)

(2) Promotion of awareness of human rights inside and outside the Company



■ Human Rights Promotion Committee

Group-wide Approach

Based on its basic policy for respect for human rights, Sumitomo Chemical continues to take various measures to promote respect for human rights by working closely with its Group companies in Japan and overseas, while also engaging business partners.

Overseas, in particular, we are working with our regional headquarters in Europe, the Americas, China, and the Asia-Pacific region to ensure and promote compliance, including initiatives to protect human rights, based on our compliance system that we have established in accordance with respective local legal systems of the countries where we operate.

Examples of Initiatives

Human Rights Due Diligence and Relief Efforts

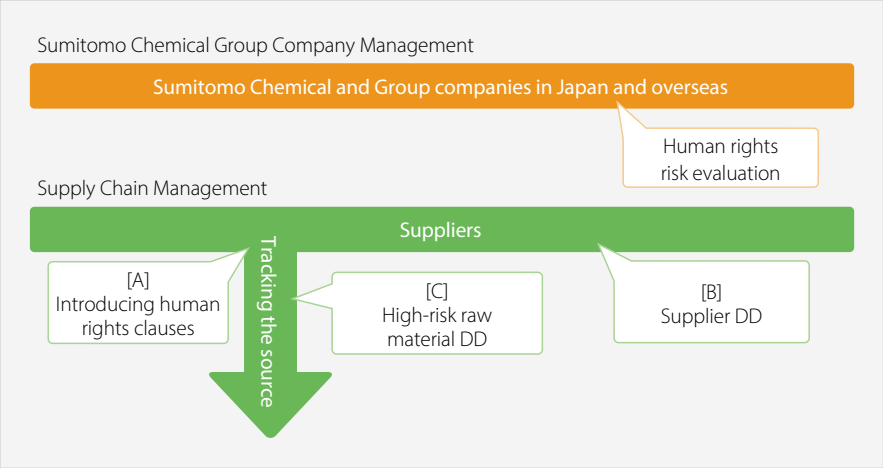
With the aim of promoting respect for human rights in its business activities, the Sumitomo Chemical Group has established a system for human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights. Under our approach to evaluating, reducing, and preventing human rights risks, not only for Sumitomo Chemical itself and its supply chain, but also for Group companies in Japan and overseas and their supply chains, we set priorities based on potential human rights risks, and implement our efforts in steps. The Sustainability Department, Legal Department, Procurement Department, and Logistics Department collectively serve as our secretariat office for human rights due diligence, working with business sectors and other relevant departments to ensure that our entire value chain is assessed.

External specialists conduct human rights risk evaluations of the Group to evaluate, reduce, and prevent human rights risks within the Group.

Moreover, for the supply chain, we rank priorities based on assumed human rights risks, conduct surveys, and promote engagement. As a comprehensive initiative, we ensure the effectiveness of human rights risk reduction initiatives by including clauses related to the implementation of human rights-related initiatives in new and existing agreements. As a practical risk reduction initiative, we distribute the Sumitomo Chemical Group Supplier Code of Conduct and collect responses to check sheets and human rights questionnaires, which independently confirm the status of initiatives by each supplier, thereby determining the status of general sustainability measures and management systems, including those related to human rights, at suppliers (supplier due diligence, hereinafter "supplier DD"). In addition, for suppliers of raw materials that have a high risk of having a negative impact on human rights (high-risk raw materials), we conduct high-risk raw material due diligence (DD) through surveys that track to the source.

If it is discovered through these activities that any negative impacts on human rights are occurring because of our Group's business activities, or have been fostered by the Group's business activities, we will redress or resolve those incidents through the appropriate procedures, in collaboration with related stakeholders.

■ Human Rights Due Diligence Overview of Initiatives



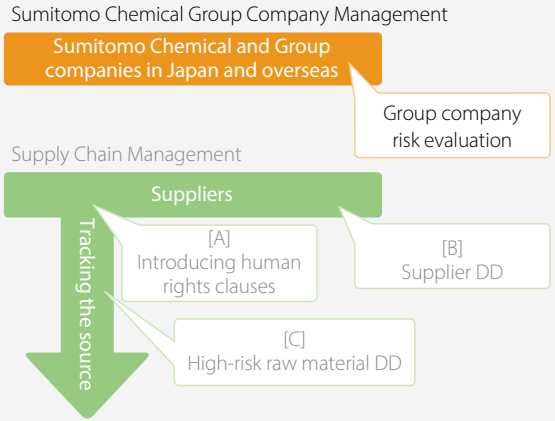
Approach to Our Human Rights Due Diligence Efforts

Sumitomo Chemical Group Company Management

Sumitomo Chemical Group Company Management Flow

Group Company Risk Evaluation

Based on our risk approach policy, we are undertaking an overview of human rights due diligence over the past three years.



FY2022	• Human rights risk evaluations (risk mapping) conducted by external specialists
FY2023	• Conducted written surveys and detailed surveys of Group companies thought to have relatively high levels of risk in the human rights risk evaluations (risk mapping) conducted in fiscal 2022
FY2024 (plan)	• Regarding written survey responses that indicate concerns about human rights violations, we confirmed actual conditions at each company • Studied and implemented countermeasures for matters pointed out in detailed surveys conducted by external specialists

- **Risk Evaluation Items**

For this risk assessment, we first set the four categories of society, environment, occupational safety and health, and governance as major focal areas, and for each category, we determined items in detail for assessing risks. For example, in the category of "society," we selected such diverse items as forced labor, child labor, discrimination, harassment, freedom of association, indigenous people, and cultural heritage. In other categories, we conducted risk assessment as to those items that we had addressed in audits, by examining them from a human rights perspective.

Society	
S1	Forced labor and human trafficking
S2	Child labor
S3	Work hours
S4	Wages and employment contract
S5	Discrimination
S6	Harassment and punishments
S7	Freedom of association
S8	Land rights
S9	Negative social impact on local communities
S10	Indigenous people and cultural heritage
S11	Privacy
S12	Countermeasures and management procedures (supply chain)

Environment	
E1	Environmental pollution
E2	Resource management
E3	Noises, vibrations, and odors

Occupational Safety and Health	
HS1	Countermeasures and management procedures
HS2	Machine safety
HS3	Fires and explosions
HS4	Hazardous operations
HS5	Infectious, dusty, and asbestos operations

Governance	
G1	Prevention of bribery
G2	Prevention of accounting fraud
G3	Prevention of quality-related fraud
G4	Examples of violations

Policy for Calculating Risk Scores

Regarding each item, we confirm activities as factors either contributing to or reducing risk. When there are activities that could become risk factors, we add to the risk score, and when there are activities that reduce risk factors, we subtract from the risk score, thereby quantifying risk. The higher the risk score, the higher the human rights risk.

Examples that add to the risk score:

- Employing foreign national workers and migrant workers
- Operational region of the Group company ranked as a high-risk country in indices published by international institutions (for example: the Global Child Forum & UNICEF's Children's Rights and Business Atlas)
- Businesses considered labor-intensive (business categories considered to have a relatively high ratio of low-wage workers)

Examples that subtract from the risk score:

- Confirming the personal IDs of migrant workers and storing copies
- Formulating policies related to prohibiting child labor
- Confirming the provision of employee wages in an amount adequate to provide for a family and meet basic needs, such as food and housing

Points Updated for the Second Round of Human Rights Risk Assessments

We considered the following factors to ensure that changes in social conditions are appropriately reflected.

- Country-specific indicators newly formulated and released by international organizations
- Among raw materials being handled, the presence or absence of materials that are considered to have high human rights risks, such as conflict minerals
- Problematic rises in cases of human rights violations in the chemical industry and in countries where Group companies are based
- The addition of the safety and health field to the ILO's Core Labor Standards

FY2023 Initiatives

We conducted written surveys and detailed surveys of 30 Group companies that were selected and prioritized based on the results of a human rights risk evaluation (risk mapping) conducted in fiscal 2022 encompassing the Company and consolidated management companies.

Written Survey (scope: a total of 26 companies in China, Singapore, Japan, and other countries)

With the written survey, we collect responses from questionnaires covering the categories of society, the environment, health and safety, and governance, asking subjects whether their businesses entail high human rights risks and the status of risk reduction measures.

Detailed Survey (scope a total of four companies in South Korea and Japan)

With the detailed survey, external experts confirm such documents as labor rules and wage regulations, conduct interviews with local employees, and confirm work environments for Group companies selected based on business operations and location.

These surveys found no already existing significant negative effects on or violations of human rights in connection with the Group or affecting its business continuity, including violations of the human rights of indigenous peoples or local communities, or findings of highly probable significant negative effects or violations.

The detailed surveys identified the following situations.

Initiatives conducted at each company with mechanisms aimed at reducing human rights risks

- To reduce child labor risks, two types of public documents are used to confirm the age of employee applicants, and documents are established to confirm internal documents.
- Unique internal reporting systems are established in addition to the Sumitomo Chemical Group's internal reporting system (the Speak-Up System), and surveys and responses are conducted for reports received internally and externally.
- There is a mechanism in place to confirm the status of suppliers' initiatives, such as regular local on-site surveys.

Issues that need improvement

- Regarding the Group's policies related to procurement and suppliers, leaks of communications to suppliers were confirmed.

FY2024 Initiative Plans

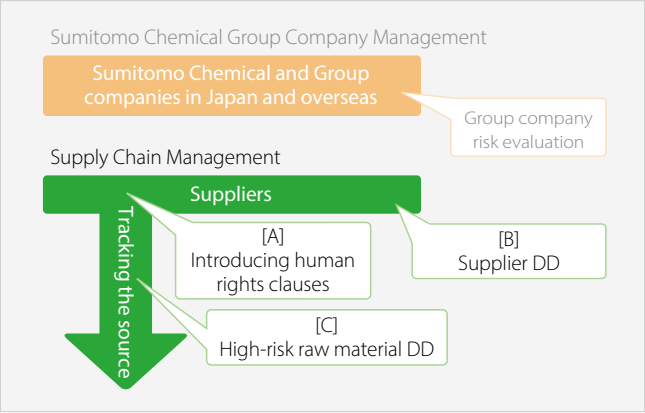
In the fiscal 2023 surveys, we did not confirm the existence of any situation having a significant negative effect on human rights. However, we took measures to prevent and correct identified issues after surveying relationships and backgrounds and coordinated these measures with efforts to further reduce risks by sharing the insights gained with Group companies, including those not within the scope of the current surveys.

Human Rights Risk Assessments (First Round)

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/humanrights_riskassessment_1.pdf

Supply Chain Management

Supply Chain Management Flow



A. Introducing Human Rights Clauses into Contracts

In fiscal 2020, we have formulated contract provisions that request understanding of and cooperation with our efforts to respect human rights, and have begun including them in our contracts with our business partners, including raw material suppliers, materials and equipments suppliers, logistics providers, and contract manufacturers.

We will not only continue to sign contracts that include these human rights provisions, we will also respond in line with the procedures defined in these human rights provisions when negative impacts on human rights occur in our supply chain, or under the apprehension that such an impact has occurred.

Main Content in Human Rights Clauses (required matters)

- Comply with human rights-related international standards and the Sumitomo Chemical Group Supplier Code of Conduct
- Strive to seek similar responses from suppliers further upstream
- Formulate policies and conduct human rights due diligence
- Cooperate on the Company's initiatives

B. Supplier DD

The Sumitomo Chemical Group is committed to building mutually beneficial and sound relationships with its business partners. We ourselves do business in a fair, equitable and transparent way, while also promoting sustainable procurement efforts across the entire supply chain with respect for human rights and a firm commitment to compliance. In order to encourage our business partners to work on sustainability efforts, in the Sumitomo Chemical Group Supplier Code of Conduct, we ask our business partners to respect human rights, prohibit complicity with human rights violations, prohibit discrimination and harassment, respect basic rights related to labor, prohibit forced labor and child labor, comply with the minimum wage, and assurance of a living wage. In addition, to accurately recognize the risk status related to legal compliance and ethics, society, occupational safety and health, and the environment in the procurement of raw materials in the supply chain, we send the Sumitomo Chemical Group Supplier Code of Conduct to our major business partners, collect the Sumitomo Chemical Group Sustainable Procurement Check Sheets filled out by each company, and confirm the status of initiatives.

Furthermore, from fiscal 2021, we are conducting detailed investigations of the Company's major business partners using questionnaires specialized for human rights (the human rights questionnaire). The human rights questionnaire comprises two parts: one for the management system of the entire company and one with questions specialized for human rights (the presence or absence of human rights risks and the implementation status of risk reduction measures). We provide feedback on the results for all business partners who respond. And for those business partners that we would like to take further action, we engage with them on an individual basis (including exchange information related to sustainability initiatives and share the best practices of the Sumitomo Chemical Group, providing support as needed).

P.145 Procurement: Promoting Sustainable Procurement throughout the Supply Chain

Excerpts of the Human Rights Questionnaire

Major items	Examples of specific questions
(1) Questions related to company-wide management systems	Numbers of employees, presence of labor unions, status of formulation of policies (for example: human rights policies, legal and regulatory compliance, environmental conservation, occupational safety and health), supply chain management status (for example: status of risk assessments for business partners and the supply chain), establishment of whistleblower hotline
(2) Questions specially focused on human rights*	We collect responses to the following questions to confirm the risk of forced labor of foreign national workers and migrant workers. • Employment status of foreign national workers and migrant workers • Does the company use recruitment specialists when employing foreign national workers and migrant workers? • If using recruitment specialists, is the company doing its due diligence to ensure the specialists' business activities do not violate the human rights of job seekers? • Has the company established an internal procedure for confirming whether recruitment specialists are collecting fees from job seekers? • Before the planned worker departs their home country, does the company provide documents that clarify the main working conditions (job duties, wages, workhours, etc.) in the worker's native language or a language the worker can understand? • Before the planned worker departs their home country, does the company explain necessary information related to the country where they will work or the workplace (rules of the workplace, occupational safety and health, performance considerations, use of dormitory, helpdesk contact information if there are problems, etc.) in the worker's native language or a language the worker can understand?

* We confirm a wide range of human rights issues, such as child labor, forced labor, discrimination (responsible recruitment), and the rights of indigenous people.

- **Initiatives in FY2023**
  We send major suppliers the Sumitomo Chemical Group Sustainable Procurement Check Sheets and human rights questionnaire, collect responses, confirm the status of initiatives, and pursue engagement as necessary.

- **FY2024 Initiative Plans**
  To confirm the status of initiatives in line with the Sumitomo Chemical Group Supplier Code of Conduct, we will continue to broadly promote sustainable procurement in the supply chain by sending major suppliers, not only to the raw material suppliers, but also to the materials and equipment suppliers and the logistics suppliers, the Sumitomo Chemical Group Sustainable Procurement Check Sheets and human rights questionnaires, collect responses, and take improvement measures as necessary.

C. High-risk Raw Material DD

The Sumitomo Chemical Group formulated the "Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials" in March 2020. Under the policy, the Group defines high-risk raw materials as those that having a high probability of negatively impacting human rights in the supply chain, including, but not limited to, tantalum, tin, gold, tungsten, cobalt, mica, graphite, and pulp. Depending on the characteristics of the high-risk raw materials, we promote initiatives aligned with the premise of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the OECD Guidance).

- **Initiatives in FY2023**
  In line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials, we conducted surveys of the usage status of high-risk raw materials at the Company and Group companies in Japan. As a result, we determined that we need additional confirmation for some of the raw materials source.

- **FY2024 Initiative Plans**
  Regarding some of the raw materials mentioned above, we will conduct additional confirmation. As a result of the confirmation, if there are concerns, we will consider remedial measures to reduce human rights risks in line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials and continue implementing necessary initiatives. In addition, for business partners that handle high-risk raw materials, we will continue requesting reports based on the Responsible Minerals Initiative (RMI) and steadily promote risk assessments.

P.146 **Procurement:** Initiatives Related to High-Risk Raw Materials

Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/MineralandRawMaterialsPolicy.pdf

Grievance Mechanisms

We have grievance mechanisms in place in the form of the Speak-Up System (whistle-blowing channels) in order to address concerns about activities that may adversely impact human rights or any other concerns raised about our business activities. These channels are available for anyone involved in Sumitomo Chemical Group's business activities, including their business partners as well as Sumitomo Chemical Group Personnel and their families.

In addition, regarding harassment in particular, Sumitomo Chemical has established a harassment consultation office and consultants. We have set up systems to provide consultations for employees regarding various types of harassment, including power harassment, sexual harassment, maternity harassment, and SOGI harassment.*

Each of these aforementioned consultation offices accepts anonymous consultations and whistleblower reports. In the Compliance Manual, we make clear that the Company gives utmost consideration to protecting the privacy of the reporting person and maintaining the confidentiality of information provided and that the Company does not put people at any disadvantage, such as through dismissal, transfer, or discrimination, on the grounds of having received a consultation or made a report. We are raising awareness of these facts among employees.

Furthermore, at all aforementioned offices, in fiscal 2023, there were no confirmed cases related to discrimination and no major negative impact on human rights affecting the business continuation of the Group.

The Group will continue working to more effectively operate grievance mechanisms going forward.

* Harassment related to sexual orientation and gender identity

P.064 **Compliance:** Internal Reporting System (Speak-Up System)

Education and Awareness Raising

Our basic policy of respect for human rights is articulated in our Compliance Manual (Sumitomo Chemical Code of Business Conduct) and also communicated across through our intranet. In addition, our labor-management agreement makes it clear that an employee who damages the work environment for other employees through sexual speech and behavior, harassment, or other similar actions is considered violating our work regulations and thus subject to disciplinary action.

Under these principles, we value respect for an individual's personality, prohibiting any action to disrespect or disparage an individual's personality taken based on personal emotions or values or any harassment, bullying or similar speech or action.

We also prohibit all kinds of harassment, including power harassment and sexual harassment (including harassment of a person of the same gender and harassment of LGBTQ people regarding sexual orientation and gender identity).

In addition, we prohibit discrimination and do not allow any discriminatory action that is taken for reasons of employment type, age, gender, birthplace, ancestry, nationality, race, disability, religion, beliefs, marital status, or other such attributes and harms an individual's dignity. We particularly make it clear that discrimination based on gender or a difference in sexual orientation or gender identity and discrimination against people with disabilities are prohibited.

Raising Employees' Awareness of Human Rights

To ensure that each employee correctly understands and is fully aware of human rights issues, Sumitomo Chemical incorporates human rights in its employee education. We highlight human rights not only in the introductory training in which all employees participate after joining the Company but also in many other internal training programs, such as those for newly promoted employees (when promoted to a higher grade or a manager position) and those for recruiting interviewers.

In addition, we regularly implement awareness-raising training and initiatives at each site of our operations and each Group company. In fiscal 2023, based on the Sumitomo Chemical Group Human Rights Policy, a total of 36,028 people, including management executives and employees of Group companies, took training related to preventing discrimination against sexual and social minorities, harassment, and human rights violations; training related to preventing child labor, forced labor, and human trafficking; and e-learning training with the theme of "business and human rights—aiming to respect human rights through business."

Engaging in Human Rights Initiatives

Stakeholder Engagement Program Hosted by Caux Round Table Japan

Since fiscal 2019, Sumitomo Chemical has participated in the Stakeholder Engagement Program hosted by Caux Round Table Japan, a non-profit organization, to better understand what circumstances can cause human rights issues and how business activities are related to human rights, as well as material human rights issues and the importance of considering human rights in business activities.

This program invites companies, non-government and non-profit organizations, and experts to discuss human rights due diligence that is required by the Guiding Principles on Business and Human Rights. The subject for fiscal 2023 was "Human Rights Issues by Sector" formulated by the Nippon CSR Consortium in fiscal 2022. Participants engaged in sectoral discussion, referring to the human rights guidance tool created by the United Nations Environment Programme Finance Initiative (UNEP FI). (We participated in the discussion for the chemical, construction material, and manufacturing sectors.)

Fiscal 2023 Stakeholder Engagement Programme (Human Rights Due Diligence Workshop) Report

https://www.aoyama-syouji.co.jp/ir/esg/pdf/2023_SHE_final_report_en.pdf

Stakeholder Engagement Program

https://crt-japan.jp/en/portfolio/human-rights-due-diligence-workshop/

Human Rights Due Diligence Subcommittee Hosted by Global Compact Network Japan

Since fiscal 2019, Sumitomo Chemical has engaged in the Human Rights Due Diligence Subcommittee hosted by the Global Compact Network Japan in order to promote human rights due diligence based on the Guiding Principles on Business and Human Rights.

In fiscal 2023, the subcommittee organized various initiatives such as seminars by experts and workshops related to human rights due diligence. We will continue to deepen our understanding of human rights by engaging in various initiatives, and leverage the learning in the Group's human rights promotion efforts.

Others

Signed onto the Declaration of Partnership Building

Sumitomo Chemical supports the premise of the "Council on Promoting Partnership Building for Cultivating the Future" promoted by Japan's Cabinet Office and the Small and Medium Enterprise Agency and announced our Declaration of Partnership Building. This initiative aims to encourage the collaboration of large companies with small and medium-sized companies, promote measures to enhance productivity across the entire supply chain, and build mutually beneficial relationships between large companies and small and medium-sized companies. In its declaration, Sumitomo Chemical not only clarifies as one of its individual items that it will conduct trade in a manner that ensures fairness and transparency but also clarifies that it emphasizes human rights and compliance and is promoting sustainable procurement initiatives throughout the supply chain to enforce sustainability initiatives at suppliers.

Announcement of our "Declaration of Partnership Building" (Japanese only)

https://www.sumitomo-chem.co.jp/news/detail/20210618_2.html

Consideration for Human Rights in Investment

Along with interviews and legal due diligence for investment candidates, before acquisition we confirm consideration for human rights issues, response status, and the systems of investees.

Initiatives for the Rights of Children

The Sumitomo Chemical Group focuses efforts not only on eliminating child labor in Japan and overseas but also on educational support regarding respecting the rights of children.

P.181 Contributions to Communities

Procurement

Basic Stance

Policy on Sustainable Procurement

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 promoting sustainable procurement activities throughout the supply chain with an emphasis on compliance and respecting human rights, which will encourage our partners to also engage in sustainability initiatives. Furthermore, Sumitomo Chemical's stance toward and policy on sustainable procurement is clarified in the Basic Procurement Principles and the Group Business Standards of Procurement, which provide guidelines for procurement operations for Group companies in Japan and overseas.

■ Basic Procurement Principles (Outline)

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 sustainability 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.

Sumitomo Chemical Group Policy for Responsible Procurement of Minerals / Raw Material (Established March 17, 2020)

Recognizing the principles set out in our Sumitomo Chemical Group Human Rights Policy, Sumitomo Chemical Group (Sumitomo Chemical Co., Ltd. and its group companies, hereafter "Sumitomo Chemical Group") defines those raw materials that involve a high risk of having a negative impact on human rights in the supply chain (including but not limited to Tantalum, Tin, Gold, Tungsten, Cobalt, Mica, Graphite, Pulps etc.) as high-risk raw materials ("HRRM"). Sumitomo Chemical Group recognizes the adverse impact against human rights which may be associated with mining, extracting, refining, manufacturing, trading, handling and/or importing/exporting HRRM, and sets out the following Policy for Responsible Procurement of Minerals/Raw Materials. Sumitomo Chemical Group will comply with this policy, and requests all of its suppliers to acknowledge the contents of this policy and comply with it.

Incorporating the essence of the standards set out in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (the "OECD Guidance") with necessary adjustments, Sumitomo Chemical Group adopts the following 6-step framework in conducting due diligence in respect of HRRM:

1. Establish Strong Company Management Systems
   Sumitomo Chemical Group will clearly communicate and explain to suppliers and to the public the contents of this policy, and appoint a senior executive and staff assigned to supply chain management of HRRM. Sumitomo Chemical Group will request HRRM suppliers to comply with this policy by abiding by the standard contract clause or commitment letter.

2. Identify and Assess Risks in the Supply Chain
   Sumitomo Chemical Group will establish a system of controls and transparency over the supply chain of HRRM, and will periodically identify and assess risks of HRRM suppliers through an approach consistent with OECD Guidance Annex II. In identifying and assessing the risks, Sumitomo Chemical Group will (i) request HRRM suppliers to map its supply chain to origin and maintain a database of the same, and (ii) conduct additional due diligence procedures against the HRRM supplier, when red-flags of adverse impact on human-rights are discovered in its supply chain, with due attention to the geographical characteristics of conflict-affected and high-risk areas.

3. Design and Implement a Strategy to Respond to Identified Risks
   Once risks are identified and mitigation measures are undertaken, the senior executive assigned to HRRM, will compile a risk management plan and will implement either of the following measures:
   i) continuing trade throughout the course of measurable risk mitigation efforts;
   ii) temporarily suspending trade while pursuing ongoing measurable risk mitigation efforts;
   iii) disengaging with the HRRM supplier after failed attempts at mitigation, such as where lack of cooperation, refusal to follow improvement requests etc.

   Sumitomo Chemical Group will implement the risk management plan, monitor and trace the risks and progress of risk mitigation efforts, report them to the assigned senior executive of HRRM, and keep record of the same for a designated period. Sumitomo Chemical Group will undertake additional assessments of the identified risks once there is change of circumstance.

4. Sumitomo Chemical Group will request HRRM suppliers who is in a position to more directly and effectively mitigate the adverse impact on human rights in the supply chain to undergo supply chain due diligence audits conducted by Sumitomo Chemical Group or by Sumitomo Chemical Group's designated independent third-party auditor.

5. Sumitomo Chemical Group will report the above HRRM related activities through our web site, annual report, sustainability data book etc. If required, Sumitomo Chemical Group will request HRRM suppliers to report its HRRM related activities periodically to Sumitomo Chemical Group, and to promptly report to Sumitomo Chemical Group any signs of adverse impact on human-rights discovered in their supply chain, and to follow any instructions of corrective measures by Sumitomo Chemical Group.

6. Sumitomo Chemical Group will support relevant industry initiatives in respect of HRRM and respond to changing situations flexibly.

Sumitomo Chemical Group requests all of its suppliers to develop and implement its own initiatives in accordance with the above 6-step framework, and to cause its upstream suppliers to do the same.

Note: From FY2024, the "Sustainability Data Book" has been renamed to "Sustainability Report."

Management System

In line with the policy on sustainable procurement, we formulate and implement plans related to sustainable procurement, share these plans with Group companies. Furthermore, Sumitomo Chemical's stance toward and policy on sustainable procurement is clarified in the Group Business Standards of Procurement, which provide guidelines for procurement operations for Group companies in Japan and overseas. We are promoting relevant initiatives across the entire Group.

Goals and Results

FY2023 Group-wide Initiatives

Main Initiatives	Details
Group purchasing information exchange meetings 2 times	Participating companies: 25 • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.)
Company-wide procurement liaison meetings 2 times	Participants: Representatives responsible for the procurement of business sectors • Sustainability initiatives (respect for human rights, including high-risk raw materials, etc.); Shared information about BCPs
Procurement staff education	Participants: All procurement staff (including new employees and transferees) • Sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.)

FY2023 Initiative for Suppliers

Main Initiatives	Details
Suppliers Dialogues 3 times	Participating companies: 42 (major suppliers of materials and equipment) • Shared information regarding occupational safety; Sustainability initiatives (respect for human rights), etc.
Supplier Information Exchange Meeting 1 time	Participating companies: 53 (major raw material suppliers) • We explained the Company's efforts to reduce Scope 3*1 emissions to our major suppliers,*2 requested that each such company cooperate with us in reducing GHG emissions and share related information, and introduced the Carbon Footprint of Product calculation tool (CFP-TOMO®). • Provided briefings on and requested cooperation in sustainability initiatives (respect for human rights, including high-risk raw materials, environmental conservation, etc.), introduced on internal reporting systems, etc.
Evaluation of Established Suppliers (Sustainable Procurement Rate Survey)	Targeted companies: All established suppliers, who together account for the top 90% of the raw materials purchased Sustainable procurement rate*3: 76% (As of April 30, 2024)
Evaluation of New Suppliers	Due diligence rate for new suppliers: 100% Suppliers who were rated "good" and with whom business began: 100%
Audits	Number of times monitoring was conducted in conjunction with quality audits: 11(All audits were documentation audits. We confirmed that there were no problems on the sustainable procurement check sheets.)
Initiatives Related to High-Risk Raw Materials	We conduct due diligence in accordance with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials. For conflict minerals (gold, tantalum, tungsten, and tin), cobalt, and mica, we request they use the template*4 issued by the Responsible Minerals Initiative (RMI), and, for other high-risk raw materials, we request they use a document based on the RMI. We have already received replies from all current suppliers of raw materials, including these high-risk raw materials. Reply collection status: • Conflict minerals, cobalt, and mica: 100% reply collection rate, 0% of suppliers have been determined to have a problem • Other high-risk raw materials: 100% reply collection rate, we are engaging with some suppliers who need additional confirmation
Human Rights Questionnaire	• We followed up on progress at four of the five companies with which we conducted engagement activities*5 in FY2022, where it was deemed necessary. • We newly conducted a survey of 10 major suppliers and have collected responses from all of them. We also assess the status of initiatives on human rights.

*1 Emissions from the manufacturing and transportation of purchased raw materials
*2 Covers suppliers accounting for 90% of procured raw materials.
*3 The percentage of Sumitomo Chemical Group Sustainable Procurement Check Sheets that were returned
*4 • Conflict minerals (gold, tantalum, tungsten, tin): Conflict Minerals Reporting Template (CMRT)
• Cobalt and mica: Extended Minerals Reporting Template (EMRT)
*5 Exchanging information on sustainability initiatives, sharing best practices in the Sumitomo Chemical Group, supporting suppliers, etc.

Examples of Initiatives

Sustainable Procurement Activities

Sumitomo Chemical has a webpage about sustainable procurement in the Procurement Information section on its official website to inform more stakeholders of its sustainable procurement initiatives. The webpage features the Sumitomo Chemical Group Supplier Code of Conduct. Moreover, Sumitomo Chemical has formulated the Sumitomo Chemical Group Sustainable Procurement Check Sheets to enable suppliers to conduct self-evaluations regarding all items. Suppliers can now download these documents and report the results of their evaluations.

Sumitomo Chemical Group Sustainable Procurement Check Sheets

Ⅰ Compliance and Ethics

Questions in this chapter focus on whether the company properly complies with laws and regulations; upholds and respects international norms; complies with competition laws; maintains sound relations with governments and administrative agencies as well as prohibits bribery; prohibits the offering and receiving of inappropriate profit; respects intellectual property; establishes a system for the prevention, early detection, and remedy of wrongdoings as well as protects whistleblowers; makes appropriate information disclosure; protects the organization's confidential information and personal information; and develops cyber security measures.

Ⅱ Society

Questions in this chapter focus on whether the company properly respects human rights; prevents complicity in human rights violations; prohibits all forms of discrimination and harassment; complies with laws and regulations regarding working hours, leave, etc. and labor agreements; respects the ILO standards; reduces excessive working hours; respects basic labor rights, including employees' freedom of association and the right to collective bargaining; prohibits forced labor; prohibits child labor; gives due consideration to young workers; complies with legal minimum wage requirements and gives due consideration to living wages; establishes and implements a product quality management system; ensures safety of products and services; clarifies and complies with relevant laws and regulations, customer requirements, and internal quality control standards; properly manages chemical substances and complies with relevant laws and regulations; makes appropriate information disclosure for products and services; take proper measures in the event that an accident occurs or that a defective product should be shipped out; advances efforts to reduce any negative impact on local communities and contributes to local communities; manages suppliers; establishes a system necessary to ensure a stable supply of products and services; properly controls imports and exports; and responsibly procures raw materials.

Ⅲ Occupational Safety and Health

Questions in this chapter focus on whether the company properly establishes and implements an occupational safety and health management system; prepares emergency scenarios, including natural disasters and accidents, takes measures to improve facilities, formulates manuals for emergency response measures, and provides awareness-raising and training programs ; assesses safety and health risks, implements proper safety and health measures, and provides awareness-raising and training programs regarding safety and healthy information; provides a safe and hygienic work environment; implements proper health management measures; and categorizes and records cases of occupational accidents and illnesses, provides necessary treatment, and conducts investigations, reports, and takes remedial measures.

Ⅳ Environment

Questions in this chapter focus on whether the company properly establishes and implements an environment management system; properly controls and reduces chemical substances released to the environment; take measures to respond to climate change, such as greenhouse gas (GHG) emissions reduction and adaptation to climate change; properly manages, reduces, and responsibly treats and disposes of waste; sustainably and efficiently utilizes resources (energy, water, raw materials, etc.); and conserves biodiversity.

Sumitomo Chemical Group Supplier Code of Conduct

https://www.sumitomo-chem.co.jp/sustainability/files/docs/suppliers_code_of_conduct_e.pdf

Sumitomo Chemical Group Sustainable Procurement Check Sheets

https://www.sumitomo-chem.co.jp/english/sustainability/files/sustainable_procurement_checksheets_e.xlsx

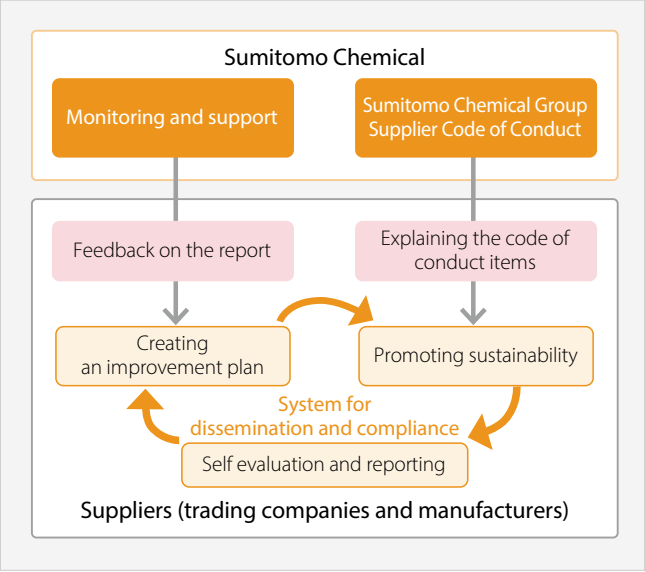
Promoting Sustainable Procurement throughout the Supply Chain

We have every new supplier gain a better understanding of Sumitomo Chemical's policies and stances through the Sumitomo Chemical Group Supplier Code of Conduct. We also have them fill out and submit the Sumitomo Chemical Group Sustainable Procurement Check Sheets. This enables us to do our due diligence regarding their compliance status, and, upon confirmation of satisfactory evaluation results, we begin doing business with them. Following that, we regularly monitor their compliance status and strive to prioritize procurement from those suppliers who are working hard to ensure sustainable procurement. We manage the data from the monitoring and periodically assess the content.

For suppliers whose initiatives have been determined to be insufficient according to their replies to the sustainable procurement check sheets, we furnish feedback, such as requesting confirmation of improvement plans, to raise awareness of and cooperation in ensuring sustainable procurement. Furthermore, for suppliers who have not shown improvement over the long term regarding important initiatives related to human rights and other issues, we designate them high-risk suppliers and offer more focused feedback and monitoring.

In addition, we send out and collect the code of conduct and check sheets from our main suppliers of raw materials. The collection status is managed as our sustainable procurement rate.

System for Promoting Sustainable Procurement throughout the Supply Chain



In addition to the initiatives above, from fiscal 2021, we have conducted detailed surveys of the Company's major suppliers through questionnaires specially focused on human rights (the human rights questionnaire). The questionnaires comprise two parts, questions confirming the existence of company-wide management systems and questions specially focused on human rights (the presence of human rights risks and the status of risk mitigation measures). We provide the results of the survey to all suppliers who respond. We also conducted engagement with each supplier that we wish to see promote further measures on an individual basis. This includes exchanging information on sustainability initiatives, sharing best practices in the Sumitomo Chemical Group, and supporting suppliers.

P.138 **Respect for Human Rights:** B. Supplier DD

Initiatives Related to High-Risk Raw Materials

We formulated the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials in March 2020. We define high-risk raw materials as those that involve a high risk of having a negative impact on human rights in the supply chain (including but not limited to tantalum, tin, gold, tungsten, cobalt, mica, graphite, pulps, etc.). In line with the characteristics of each high-risk raw material, we promote initiatives aligned with the content of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). In line with this procurement policy, we designate high-risk raw materials and conduct due diligence.

In line with this policy, we extract data on all raw materials, including identified high-risk raw materials, from our internal database and regularly confirm its accuracy for subject suppliers using templates issued by the Responsible Minerals Initiative (RMI) or documents based on said templates. If we determine there is a problem, we request improvements be made, and, if we do not receive sufficient cooperation, we take appropriate measures, such as suspending procurement.

P.139 **Respect for Human Rights:** C. High-risk Raw Material DD

Promoting Sustainable Procurement throughout the Group

We periodically hold Group purchasing information exchange meetings that gather together responsible purchasing representatives from each Group company in Japan and overseas to discuss promoting sustainable procurement throughout the Group. In addition, to ensure smooth communication, we set up a website with the Group companies to reciprocally share information as we strive to promote and encourage sustainable procurement as a unified Group.

Supplier Information Exchange Meeting

Sumitomo Chemical regularly holds information exchange meetings with major suppliers and has introduced initiatives related to the sustainability of the Sumitomo Chemical Group. We aim to help realize a sustainable society throughout the supply chain by helping suppliers understand the Group's policies related to procurement activities.

Human Resources Management

Basic Stance

Human resources are the most important management resource, and securing highly motivated and capable personnel is the foundation of business operations. In addition, our business environment has become more complex and sophisticated. In these circumstances, it has become extremely important to secure personnel with broad knowledge and diverse skills, and to conduct training so that employees can maximize their abilities.

Against this backdrop, the Corporate Business Plan (FY2022–2024) sets forth one of its basic policies as promoting the securing and development of human resources from a long-term perspective and achieving sustainable growth through enhanced engagement.

Based on this policy, we are strengthening our recruitment capabilities dramatically while steadily running the current personnel system and promoting training based on the basic philosophy of "growth and development." We are also working to create an environment in which diverse personnel can work healthily and energetically.

Human Resources System Initiatives

Sumitomo Chemical engages with its employees through a human resource system that takes account of the results individuals achieve in their roles, depending on the scale of their responsibilities, along with the abilities they employed and their actions in the process. The system enables those willing and capable employees to aspire to higher roles at an early stage, and to build their self-motivated desire to grow in their career process.

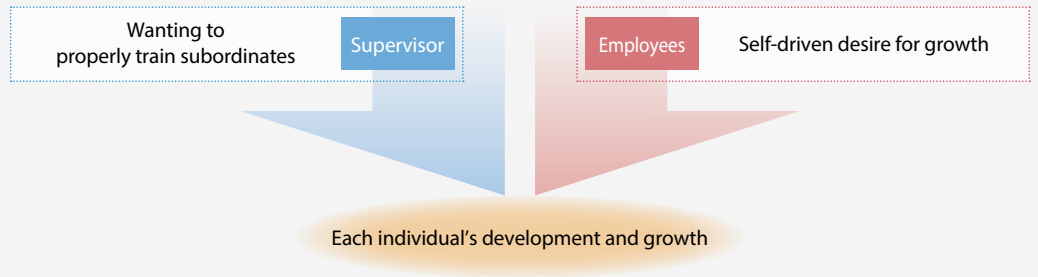
Accordingly, our annual performance evaluations are not limited to evaluating how well each employee fulfills their expected role and their achievements; it also evaluates how well said employee demonstrates their ability and acquires the knowledge and skills needed. The system thus contributes to individual growth and development without overly focusing on short-term achievements.

Managers talk with all their subordinates on a regular basis to review their performance and objectives and to provide feedback on their behavioral advantages and areas for improvement. In the interviews, they also discuss future job expectations and career paths in an effort to increase their motivation and abilities.

Moreover, we have adopted a similar human resources system for managers at overseas Group companies to that for Sumitomo Chemical's managerial employees. We are working to develop personnel on a global level and provide opportunities for advancement.

■ Philosophy and Aims of the Human Resources System

Taking on challenges	The system will enable motivated and skilled employees to take on the challenges of larger roles.
Providing meticulous training	The system will flexibly respond to employees' choice of workstyle and career and will support meticulous training tailored to each individual's ambitions and suitability.
Supporting employees' desire for growth	The system will furnish employees with clear cut workplace models and help them track their progress.



The Group will achieve sustainable growth through the growth of each individual.

Characteristics of Our HR Systems

(1) Career Development Fields (CDFs)

To encourage the development and growth of each employee amid a time of diversifying ideas about career trajectories, we have incorporated career development fields (CDFs) into our HR systems. We decided to do this because we understand the importance of implementing from the medium- to long-term perspective placements and training in line with each employee's ability and suitability as well as based on their career goals. Planned placements and training are promoted in line with each employee's career goals, and employees are encouraged to take the reins when thinking about their careers.

■ CDFs

Field X	A career in which the employee takes on a specified role, while also working on tasks that support the maintenance and development of Sumitomo Chemical's business over the medium- to long-term.
Field Y	A career in which the employee works on tasks that contribute to the development of business as a professional, within a role with a defined scope.
Field Z	A career in which the employee works on a variety of tasks supporting things like the development of new technology and the increasing sophistication and complexity of business.

(2) Careers for Specialists

We offer more than the conventional path, which assumes a largely vertical progression in rank from manager to general manager, and so on. To reflect the need for complex and advanced knowledge in operational and R&D fields, we have introduced a mechanism that provides appropriate compensation so that personnel with a high degree of specialization can unleash their full potential and rack up accomplishments.

■ Careers for Specialists

Associates

Associates refers to those who have particularly outstanding expert knowledge or capabilities, who are hard to replace in specific fields, and who can be expected to continue to make significant contributions in their field using that expertise

Fellows

Fellows refers to those who, among the Sumitomo Chemical researchers who have produced particularly outstanding research results on the basis of their high-level expertise, and who are also recognized for their achievements outside the Company, are expected to contribute significantly to the research activities of Sumitomo Chemical in the future

Internal Side Jobs

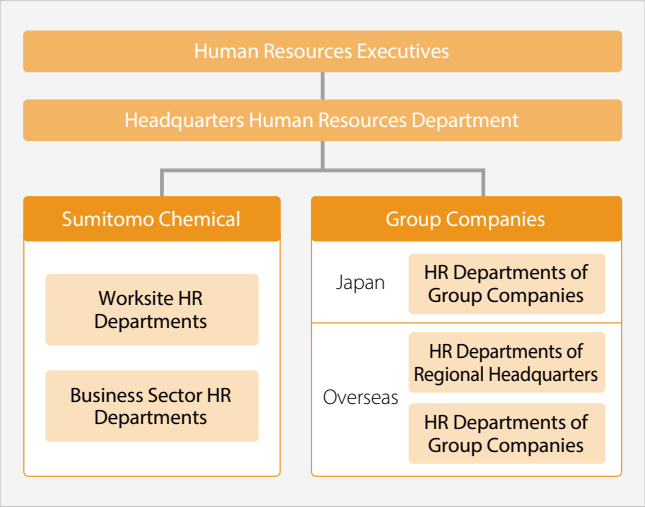
As a system supporting employees' proactive career building, we have taken measures to enable employees to take on in-house jobs of other departments based on their own proposals.

Based on this program, employees are able to experience a wide range of jobs in various business sectors by leveraging our characteristics as a diversified chemicals manufacturer. We introduced this program in fiscal 2023 with the aim of helping them acquire knowledge and expand their perspectives while also helping them find their optimal assignment based on practical experience.

Management System

Under the direction of human resources executives, the Headquarters Human Resources Department works closely with the HR departments of worksites, business sectors, regional headquarters, and Group companies in Japan and overseas to promote and roll out various measures. In addition, employees are rotated through job assignments based on each person's specific training plans while sharing information with the aforementioned HR departments and other departments with corporate functions, such as research, production, and administration.

■ Human Resources Management System



Sumika "Let's Do This Declaration"

We have set forth a number of important values and views to help our employees find significance and feel pride in working at Sumitomo Chemical in the Sumika "Let's Do This Declaration," and we are promoting this initiative so that they can lead healthy and fulfilling lives as employees, both mentally and physically. The initiative is divided into a series of five steps, with each step further broken down into five action items, and we are promoting various measures to support progress. In addition, we established a labor-management committee to promote the Sumika "Let's Do This Declaration" to ensure that information is shared and opinions are exchanged between labor and management on the progress of initiatives and their direction.

Action Items

1 Work-Life Balance

We are fostering a work environment where it is easy to work and ensuring each employee feels a deeper sense of fulfillment through work-life balance.

① Stop long working hours!
As a general rule, we aim to eliminate long working hours (on average over 45 hours/month worked after regular hours and on weekends and holidays).

② Create an environment that makes it easy for employees to fully utilize work-life balance systems.
We are working to encourage employees to fully utilize systems for childcare, caregiving, illness treatment, and more, and to create an environment that makes it easy to use those systems.

③ Encourage employees to take at least 80% of paid leave and facilitate effective use of flextime system.
We aim for employees to take at least 80% of paid leave. We also facilitate the effective use of the flextime system for afternoon work (no core time).

④ Prohibit business instructions that would require holiday or late-night work.
As a general rule, we do not delegate or carry out tasks that are predicated on working late-night overtime or on days off, such as an email asking for a reply on a day off.

⑤ Cooperative framework in the workplace.
Supervisors manage subordinates in a way that burdens are not distributed unevenly. Employees carry out tasks with a genuine feeling of cooperation and support in close communication with each other.

2 Activities by All Employees (DE&I)

We aim to activate every single employee through the mutual respect and utilization of diversity.

⑥ Active roles for everyone regardless of gender!
We will ensure anyone can thrive in the workplace and enhance employee capabilities regardless of gender and age.

Relevant KPI:	Achieve at least 15% of employees promoted to managerial positions (equivalent to section manager) being female over the 5 years between FY2023 and FY2027 on average

⑦ Let's eliminate preconceptions and assumptions!
We will eliminate assumptions about the fixed division of roles and unconscious bias, e.g., thinking you have to do something "because I'm a man/woman."

Relevant KPI:	Achieve at least 90% of male employees who have taken either extended childcare leave or other childcare-related leave due to the birth of a child during the current fiscal year.

⑧ Let's build a hybrid human resource group!
We will flexibly incorporate and leverage the different abilities and ideas of diverse human resources to help invigorate the workplace and grow the organization.

⑨ Encourage active roles for people with disabilities.
The Company and Sumika Partners Co., Ltd. have come together to provide an environment where people with disabilities can thrive. Everyone in the workplace offers support as fellow workers.

⑩ No harassment!
Aiming for complete eradication, we will not tolerate any form of harassment, including power harassment, sexual harassment, maternity harassment, paternity harassment, or SOGI* harassment.

* SOGI harassment: harassment related to sexual orientation and gender identity

3 Development and Growth

Through development and growth, we are working to enable employees and the Company to develop.

⑪ Invest in growth for everyone.
We will continue to invest 300,000 yen per person* per year in education for the growth of our employees, who constitute our human capital.
* Direct costs, off-the-job training opportunity costs, on-the-job opportunity costs

⑫ Support the desire to learn.
We offer a learning platform that enables employees to learn and grow for themselves regardless of when they joined the Company or their age.

Relevant KPI:	50% or more of all employees taking self-selected training programs by fiscal 2024

⑬ Study every day, grow every day.
We aim for 10% of work time to be used for training and work study to cultivate more professionals.

⑭ Strive to enhance management capabilities!
We strive to enhance management capabilities, with managerial employees learning every day.
Target 1: 800 or more people taking training courses to enhance management capabilities per year.
Target 2: Receive 80% or higher positive responses to the following questions in the employee opinion survey.
- Supervisors clearly point out issues regarding the achievement of workplace targets.
- Supervisors proactively guide and advise subordinates on how to enhance their capabilities.

⑮ Allow people to take on challenges and demonstrate their growth.
We allow subordinates looking to grow to take on challenges, for example, to try work designated for personnel one rank above their current rank. Subordinates give their all to tackle these new challenges.

4 Healthcare

Under the slogan of "Good health is a prerequisite for good work and a good life!" we are undertaking specific action plans in the five fields of meals, exercise, sleep, quitting smoking, and mental health.

⑯ Revise eating habits, achieve a healthy weight.
To prevent lifestyle diseases, all employees should maintain an appropriate BMI (18.5–24.9).
- 100% of employees received specified health guidance and cured their metabolic syndrome through careful guidance.
- Introduced nutritionally balanced dishes at the employee cafeteria.

⑰ Exercise a little and stay healthy forever!
Use downtime to exercise regularly every day.
- Establish walking habits (10,000 steps per day).
- Enhance exercise and training environments.
- Everyone should work out together after lunch.

⑱ High performance depends on quality sleep.
Improve the quality of your sleep to ensure energy for the next day.
- Thoroughly practice the dos and don'ts of sleep improvement.
- Increase the percentage of people getting enough rest through sleep.

⑲ Smoking does nothing but harm.
We ban smoking for the health of ourselves and those around us.
- As a general rule, smoking is banned during work hours and on the Company's premises (including on business trips).
- Participate in programs to support smoking cessation.

⑳ Don't forget to take care of your mental health.
Fostering fuller workplace communication and eliminating stress in your own way.
- Supervisors and subordinates should directly communicate with each other at least once a day.
- Practice mindfulness 10 minutes per day.

5 Initiative to Enhance Productivity

By using digital tools and constantly revising work methods, we are enhancing productivity and promoting rational, efficient, and creative work.

㉑ Always review work goals and methods.
Do not rely on old ways of thinking. Constantly think of methodologies aligned with this era and work that is currently in demand.
Target 1: Reduce current workload by 10%.
Target 2: Receive 80% or higher positive responses to the following questions in the employee opinion survey.
In my workplace, I can say anything about work without being conscious of my rank, age, gender, or other characteristic

㉒ Make the use of digital technologies the default.
Everyone in the Company, from top management to employees, utilizes digital technologies more than ever to create value and revise operations!
Target 1: Everyone takes basic digital education courses.
Target 2: Further improve operational efficiency using digital tools already introduced in-house in the workplace.
Target 3: Encourage the use of ChatSCC, the Company's version of ChatGPT (30% or more of employees continually use it).

㉓ Eliminate excessive quality, streamline your work.
Do not assume too much. Do not hesitate to confirm your partners' intentions and clarify communications in order to stay on track and eliminate excessive quality.
- Superiors clearly point out "what, why, and by when." Subordinates confirm.
- Report when 30% done.

㉔ Maximize the added value of meetings.
Meetings are for discussion and decision making.
- Target halving the number of meetings and attendees as well as their duration compared with FY2019.

㉕ Put customers first!
Aim to increase by 50% the amount of time spent on customer communication and assessing social needs.
Through action items ㉑ to ㉔, streamline the in-house use of time and labor as much as possible.

Communication with Employees

Sumitomo Chemical and the Sumitomo Chemical Labor Union are working together to solve various issues within a labor-management relationship based on mutual understanding and trust.

We have concluded a labor agreement covering such topics as union members' concerns about human resources, work duties, compensation, disaster compensation, welfare facilities, safety and health, labor-management meetings, and collective bargaining. Based on this agreement, as a place for labor and management representatives to exchange opinions, we hold central labor-management meetings twice a year as well as regional labor-management meetings at each worksite twice a year. In addition, we have established Safety and Health Committees at each worksite to ensure and improve the safety and health of union members.

Furthermore, the Company and labor union have concluded a union shop agreement, ensuring that 100% of general employees at the Company are enrolled in the labor union. The percentage of union employees among all the Company's employees is 69.2%.

Work-Life Balance

Basic Stance

We aim to ensure that each employee feels greater motivation and a deeper sense of fulfillment while promoting a better work-life balance. In addition, we are working to foster a workplace environment where it is easy to work, mainly by introducing a flextime system, utilizing telework, and establishing daycare facilities at worksites.

Management System

In 2010, Sumitomo Chemical established a labor-management committee to promote DE&I (Diversity, Equity, and Inclusion) as well as work-life balance. To this end, the committee has shared information and exchanged opinions in addition to sharing the progress of efforts undertaken by labor and by management.

From 2020, we delegated these functions to the labor-management committee for promoting the Sumika "Let's Do This Declaration" as we strive to be more constructive.

Targets and Results / Examples of Initiatives

To encourage work-life balance, Sumitomo Chemical established key performance indicators (KPIs) along with three main targets: ① Correct long working hours, ② Encourage employees to take paid annual leave, and ③ Promote flexible workstyles. We implement various measures to achieve these targets.

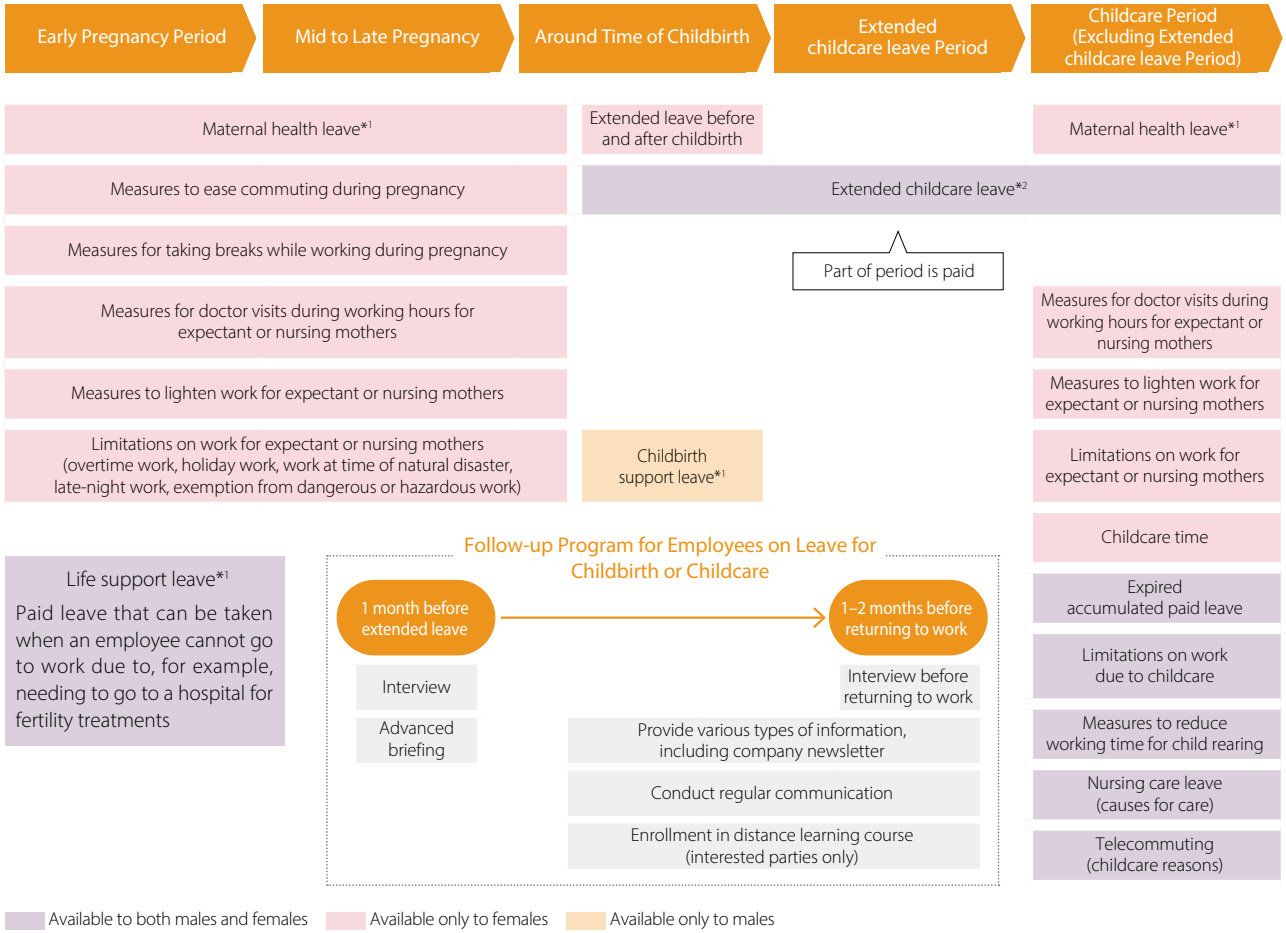
Measures to Promote Work-Life Balance

	KPI	Measure Details
① Correct Long Working Hours	Aim to eliminate long working hours as a general rule (on average over 45 hours/month worked after regular hours and on weekends and holidays) from fiscal 2020.	**A. Enhance productivity by utilizing digital tools** Enhance productivity by utilizing digital platforms and tools, automate and enhance efficiency of operations by proactively utilizing robotic process automation (RPA), conduct training for effectively utilizing digital tools, etc. **B. Improve productivity by promoting a better work-life balance** Regularly convene the Labor-Management Committee consisting of labor and management representatives, take various measures to improve productivity in each workplace, hold lectures to promote better work-life balance, etc. **C. Promote initiatives for the Sumika "Let's Do This Declaration"** We declared details related to work-life balance in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have positioned the elimination of long working hours as an action item. **D. Appropriately manage working hours and health** • Reduced the upper limit on overtime work from April 2017 (upper limit: 80 hours per month and 720 hours per year) • Regarding the occupational physician interviews for people working long hours mandated by the Industrial Safety and Health Act, we have been enforcing our own guidelines, which are more stringent than legally mandated, requiring interviews for people who work 70 hours or more of overtime in one month or 150 hours or more in a three-month period • From March 2018, we established an even more appropriate work management system by displaying computer logon and logoff times when reporting work hours, moving away from the existing system for reporting work hours.
② Encourage Employees to Take Paid Annual Leave	Realize an average of 80% of paid leave taken annually from fiscal 2020.	**A. Create an annual leave chart that covers several fiscal years** Every year create an annual leave chart that covers several fiscal years to make it easier to plan far into the future and help encourage employees to take paid leave. **B. Encourage employees to take paid leave** • Encourage employees to take paid leave during Golden Week and other similar periods • Encourage employees to create four-day weekends by adding days of paid leave to either side of weekends and promote taking time off in the September–November period • Encourage senior employees to take paid leave **C. Continue to systematically provide paid leave** Systematically provide five paid-leave days every year (does not include statutory leave) **D. Promote initiatives under the Sumika "Let's Do This Declaration"** We declared details related to work-life balance in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have positioned the use of 80% of paid leave as an action item.
③ Promote Flexible Workstyles	• Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year*	**A. Promote and raise awareness about programs** Continually promote and raise awareness about various programs that enable employees to flexibly adjust for their individual needs, including those related to life events like childcare and caregiving. In addition, encourage male employees with newborns to take extended childcare leave. **B. Foster an environment that allows the realization of flexible workstyles** By taking the measures outlined above in the action plan for ① Correct Long Working Hours, create an environment where it is easy to improve the productivity of employees and their workplaces and to realize flexible workstyles. **C. Promote initiatives under the Sumika "Let's Do This Declaration"** We declared details related to work-life balance, DE&I in the Sumika "Let's Do This Declaration," which is an initiative in which we proclaim those values and views that are of importance to us as a company. In addition, we have set the following action items: creating an environment that makes it easy for employees to fully utilize work-life balance systems, facilitating the effective use of the flextime system, establishing a cooperative framework in the workplace, and eliminating unconscious bias (including the assumption of fixed roles for men and women).

* In the case of children aged one to three months, calculated as the portion taken by the end of the following fiscal year

★: Assured by an independent assurance provider

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



*1 Leave unique to Sumitomo Chemical
*2 The Company's unique program encompassing legally mandated extended leave around the time of childbirth and extended childcare leave

Results of Systems for Work-Life Balance (Sumitomo Chemical)

(No. of people)

System/Measure			FY2021	FY2022	FY2023
Childcare/Nursing Support	Extended childcare leave	Total	524	480	498★
		Male	427	411	423★
		Female	97	69	75★
	Extended leave for nursing care		1	2	4
	Nursing care leave		156	184	269
	Childbirth support leave		174	179	186
	Maternal health leave		44	34	36
	Expired accumulated paid leave*1		179	175	189
	Reduced working hours system		179	173	188
	Telecommuting*2		131	224	241
	Reemployment system*3		4	9	0
	In-house childcare facilities*4		125(88)	121(83)	105(73)
	Mutual aid association support money for childcare*5		116	120	96
Other	Suspension from work for special reasons for employees accompanying spouses going on overseas transfer*6		1	3	4
	Employee awareness survey*7		—	Conduct	—

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

*1 Only for childcare and nursing care
*2 Number certified in each fiscal year (for childcare, nursing care, pregnancy, and other reasons that make coming into work more difficult)
*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 (slated to be conducted once every two years starting from 2022)

Employee Awareness Survey

Sumitomo Chemical conducts an employee awareness survey that covers work, the working environment, career values, diversity and inclusion, and work-life balance with the principle aim of grasping the current situation and uncovering issues in order to enhance work environments and create more satisfying workplaces. Using the results of this survey, we promote measures to further increase people's desire to work at the Company.

2022 Employee Awareness Survey

- Conducted with indicators unique to those surveyed
- Number of respondents: 6,118, 97% response rate
- Total of five points. Four points and above is a high rating, and many employees were affirmative in their awareness.

Item	Average employee rating
I am motivated to grow on my own using digital technologies.	4.0
The workplace culture allows people to easily go home.	4.1
The working environment is conducive to easily working while raising children or caregiving.	4.0
Going forward, I want to work at the Company.	4.1
In my workplace, there is no discrimination based on gender, age, birthplace, or nationality.	4.0

Daycare Facilities at Worksites

With support from the Company, we encourage the use of these facilities by setting a daycare fee that is lower than those of the municipalities. To make it easy for parents to accompany children to the facilities, we consider the commuting method depending on the location, such as allowing employees to commute using their private vehicles in special cases.

Support for Childbirth and Childcare

For employees to achieve work-life balance, Sumitomo Chemical operates generous systems, for example, it offers a system that allows for a period far longer than is legally required for extended childcare leave (up to 3 years, 11 months) and a system that offers male employees leave to support their spouses during childbirth.

In addition, to support employees' balance of childcare and work, the health insurance association and mutual aid association provide various forms of monetary support for childbirth and childcare, subsidies for home aides, and other help.

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.

Next-generation Kurumin certification mark

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, the second one covered the period between June 2007 and May 2012, the third one covered the period between June 2012 and March 2015, and the fourth one covered the period between April 2015 and March 2020. 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. (We are currently applying for our fifth certification.)

Diversity, Equity, and Inclusion (DE&I)

Basic Stance

Sumitomo Chemical has raised "promotion of diversity, equity, and inclusion (DE&I)" as one of the material issues to be addressed as management priorities based on the Basic Principles for Promoting Sustainability. We have established a Group-wide basic philosophy related to DE&I and are promoting measures in line with the situation of each Group company.

Group Diversity, Equity, and Inclusion Policy

We will promote diversity, equity, and inclusion across the Sumitomo Chemical Group. We understand that a variety of ideas and values among our employees represents a vital resource that forms the foundation of the Sumitomo Chemical Group's competitiveness. In order to continuously create new value, we will build and enable an inclusive organizational culture that allows us to respect the individuality of each employee and embrace diversity to empower employees in an environment of mutual and close communication.

In addition, we are promoting various initiatives to prevent workplace discrimination and harassment and to ensure that people of all different backgrounds can thrive.

P.133 Respect for Human Rights

P.020 Key Performance Indicators (KPIs) for Material Issues: DE&I, development & growth, health

Management System

For management systems for promoting DE&I, refer to the management systems for work-life balance.

P.152 Work-Life Balance: Management System

Targets and Results

To promote DE&I, the Group set specific KPIs centered on basic principles related to DE&I for around 100 of the major Group companies and is promoting relevant measures. Moreover, when setting the KPIs, we established the following three points as Critical Success Factors for the promotion of DE&I.

◆ Critical Success Factors (CSFs)

(1) Employ and develop diverse human resources, including those at senior management level
(2) Implement measures to empower diverse human resources
(3) Enhance diversity and inclusion awareness among managers and employees at all levels, and implement measures to build an inclusive culture that empowers employees

● Sumitomo Chemical (Non-Consolidated): KPIs (FY2023–2027)

Sumitomo Chemical set a new KPI focusing on the promotion rate to managerial positions as a measure that can reflect the total progress of measures to promote the advancement of women, including recruitment, training, promotion, and environmental improvement, in line with the Company's basic human resources policy of focusing on growth and development from a medium- to long-term perspective.

1. Percentage of employees promoted to managerial positions (equivalent to section manager) being female
   Target: Over 15% over the 5 years between FY2023 and FY2027 on average
   Result: 29% (FY2023)
2. Percentage of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year.
   Target: Over 90%
   Result: 97.3% (FY2023)

Progress on the setting of KPIs at Group companies in Japan and Overseas

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.

https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/kpi_diver_group.pdf

Examples of Initiatives

Promoting the Active Advancement of Women

As a part of our DE&I promotion efforts, we are actively taking measures to create an environment where even more women can thrive. Sumitomo Chemical has outlined the following targets in line with the Act on Promotion of Women's Participation and Advancement in the Workplace and is implementing the specific initiatives detailed below.

Sumitomo Chemical Co., Ltd. Action Plan

1. Plan period:
From April 1, 2023 to March 31, 2028

2. Targets, initiative details, and implementation period

Target 1 **Achieve at least 15% of employees promoted to managerial positions (equivalent to section manager) being female over the 5 years between FY2023 and FY2027 on average**

Initiative Details

- Diversity management training
  We hold diversity management training that helps us practice diversity management (leadership, human relations skills) and comprehend unconscious bias.
  Eligible employees: Mandatory for all people in positions equivalent to manager or above (managerial employee MGI grade)

- E-learning related to unconscious bias
  We hold e-learning training with the purpose of raising awareness and recognition related to overall unconscious bias.
  Eligible employees: All employees and management executives

- Internal lectures to help promote diversity, equity, and inclusion
  We hold lectures related to the significance of DE&I and the importance of providing growth opportunities through operations.
  Eligible employees: All grades equivalent to manager or above (managerial employee MGI grade)

- Dispatching employees mainly to training programs held by outside groups
  Regularly dispatch employees mainly to training programs held by outside groups with the purpose of career building, enhancing knowledge and skills, and forming networks with outside groups. (Several employees per year as a general rule.)
  Eligible employees: Young female employees

- Conducting career design training
  Conduct training to form career image based on balancing work and life for young employees.
  Eligible employees: Young employees (grades Ⅱ and Ⅲ)

- Implement initiatives for the Sumika "Let's Do This Declaration"
  We have positioned promoting the active advancement of women and eliminating unconscious bias as an action item in the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company. To this end, we implement various relevant initiatives.

Target 2 **Achieve at least 90% of male employees who have taken extended childcare leave or other childcare-related leave due to birth of a child during the current fiscal year***

Initiative Details

- Implement measures to raise awareness of program details and encourage men to take extended childcare leave
  Continuously implement awareness-raising measures related to the Company's various programs to flexibly respond to individual situations, including such life events as childcare and nursing care. In addition, we implement measures to encourage male employees with newborn children to take extended childcare leave and their supervisors to accommodate them.

  Details of Measures
  - Male employees with newborn children, as a general rule, plan two or more weeks of extended childcare leave and submit the plan to the human resources department via their manager
  - If leave is not taken, the reason is submitted to the human resources department via their manager

- Improve environment to realize flexible workstyles
  By utilizing digital tools and work-life balance to enhance productivity, we will further enhance the productivity of workplaces and individuals and foster a workplace environment where flexible workstyles can be easily achieved.

- Take measures to promote use of programs
  (1) Through labor-management committee meetings and other meetings, we determine specific user needs and ways to improve various programs. We then use this information to help craft and implement measures to promote greater use of the programs.
  (2) In the Sumika "Let's Do This Declaration," in which we proclaim those values and views of importance to us as a company, we have set the following action items: creating an environment that makes it easy for all employees to fully utilize work-life balance systems , including male employees to take extended childcare leave, facilitating the effective use of the flextime system, and establishing a cooperative framework in the workplace. To this end, we have implemented various relevant initiatives.

* Regarding children aged one to three months, calculated for the portion taken as of the end of the following fiscal year.

Diversity Management Training

For workplace managers (manager level employees), who play an essential role in promoting DE&I in the workplace, we conduct training that provides them with necessary management skills in this area. Content includes the management qualities and skills needed to bring together diverse personnel and to foster teamwork and achieve goals as well as how to influence organizational performance.

Encouraging Male Employees to Take Childcare Leave

As a general rule, male employees who have had children plan to take at least two weeks of childcare leave in total and submit plans for such leave. By default, the application assumes that eligible employees will take the childcare leave they are offered; should they decide not to take it, they must state the reason why on the application.

Joining the Ikuboss Corporate Alliance

To support male employees' active participation in childcare, Sumitomo Chemical develops ikubosses.* We are actively working to establish workplace environments where employees easily balance work and private life.

* "Ikuboss" refers to a superior (manager level, including women) who gets results and enjoys their work and private life while supporting subordinates' careers and lives.

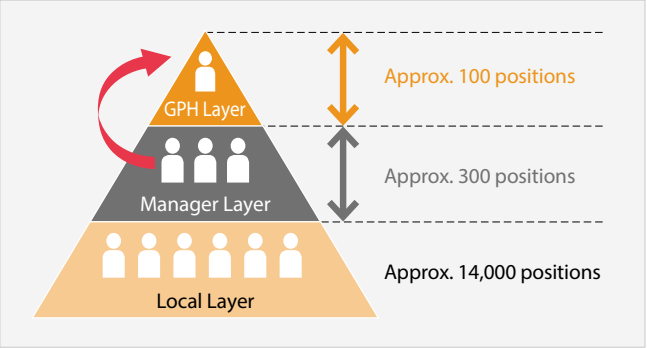
Hiring Personnel with Diverse Skill Sets and Qualities

To secure diverse personnel who support the sustainable growth of the Sumitomo Chemical Group, we encourage the hiring of foreign nationals who have studied abroad in Japan, experienced professionals, and personnel who possess advanced expertise in specific fields. In addition, we conduct proactive hiring activities in science major fields with a low percentage of female students and are working to raise the percentage of female employees hired.

Promoting the Utilization and Advancement of Global Personnel

To enhance personnel who support the global business development of each Group company, Sumitomo Chemical has introduced a personnel system common to Sumitomo Chemical managerial employees for managers at overseas Group companies. In addition, we actively hire local employees for senior management positions at overseas Group companies and appoint global position holders (GPHs), providing them with opportunities for advancement and personnel training that include learning about our corporate philosophy.

■ Overseas Human Resources Pipeline
(Local employees at overseas Group companies)



■ Utilization of Personnel Beyond Borders

(People)

	FY2023
Dispatched from Sumitomo Chemical to an overseas Group company	Around 130
Dispatched from an overseas Group company to Sumitomo Chemical	Around 50

Note: As of March 31, 2024

★: Assured by an independent assurance provider

Promoting the Hiring of Persons with Disabilities

To help realize a society where the employment of persons with disabilities is normalized, Sumitomo Chemical works to hire such individuals. In August 2017, we established Sumika Partners Co., Ltd.* to support the increased participation of persons with disabilities in society and to provide employment opportunities to persons with disabilities who want to work. This company actively hires persons with intellectual and mental disabilities. It has established a support system to enable employees with disabilities to thrive at work in their own way, such as by assigning one leader for every four persons with disabilities.

Going forward, we will continue working with Sumika Partners to provide an environment where persons with disabilities can thrive.

* In March 1, 2018, Sumika Partners acquired certification from the Minister of Health, Labour and Welfare as a special subsidiary based on the Handicapped Persons' Employment Promotion Act.

Sumika Partners Co., Ltd. (Japanese only)

https://www.sumika-partners.co.jp/

Equal Pay for Equal Work

In line with the main purpose of the revised Part-time and Fixed-term Employment Act and the Worker Dispatching Act—ensuring equal pay for equal work—we set wages for part-time employees, fixed-term employees, and employees dispatched to the Company. Going forward, we will provide explanations to eligible employees upon demand.

Achievements in DE&I (Sumitomo Chemical)

Name	Concept	FY2021	FY2022	FY2023
Number of women in positions equivalent to manager or above*1	In order to promote the success of female employees, Sumitomo Chemical sets quantitative targets regarding the ratio of women in positions equivalent to sectional manager or above and systematically promotes female employees.	139	194	182 ★
Percentage of women in positions equivalent to sectional manager or above (%)*1		7.0	9.5	9.4 ★
Employment rate for people with disabilities (%)*2	Sumika Partners Co., Ltd., a special subsidiary, began operations in April 2018, and we are working to expand employment opportunities for persons with disabilities who are motivated to work, including at Group companies in Japan that have received approval as special affiliated companies.	2.56	2.54	2.56 ★
Reemployment of retiree rate (%)*3	Sumitomo Chemical has established a retiree reemployment system that enables a variety of workstyles while appropriately reflecting the motivation and abilities of each person.	91.2	93.8	88.0

Note: Results include staff assigned to other companies but do not include staff assigned from other companies.

*1 FY2021–2022: As of April 1 of the following fiscal year; FY2023: As of March 31 of fiscal year

*2 As of June 1 of each fiscal year
Group companies that have received approval as special affiliated companies:
FY2021: Group companies in Japan: 6, FY2022: Group companies in Japan: 8, FY2023: Group companies in Japan: 9

*3 As of March 31 of each fiscal year

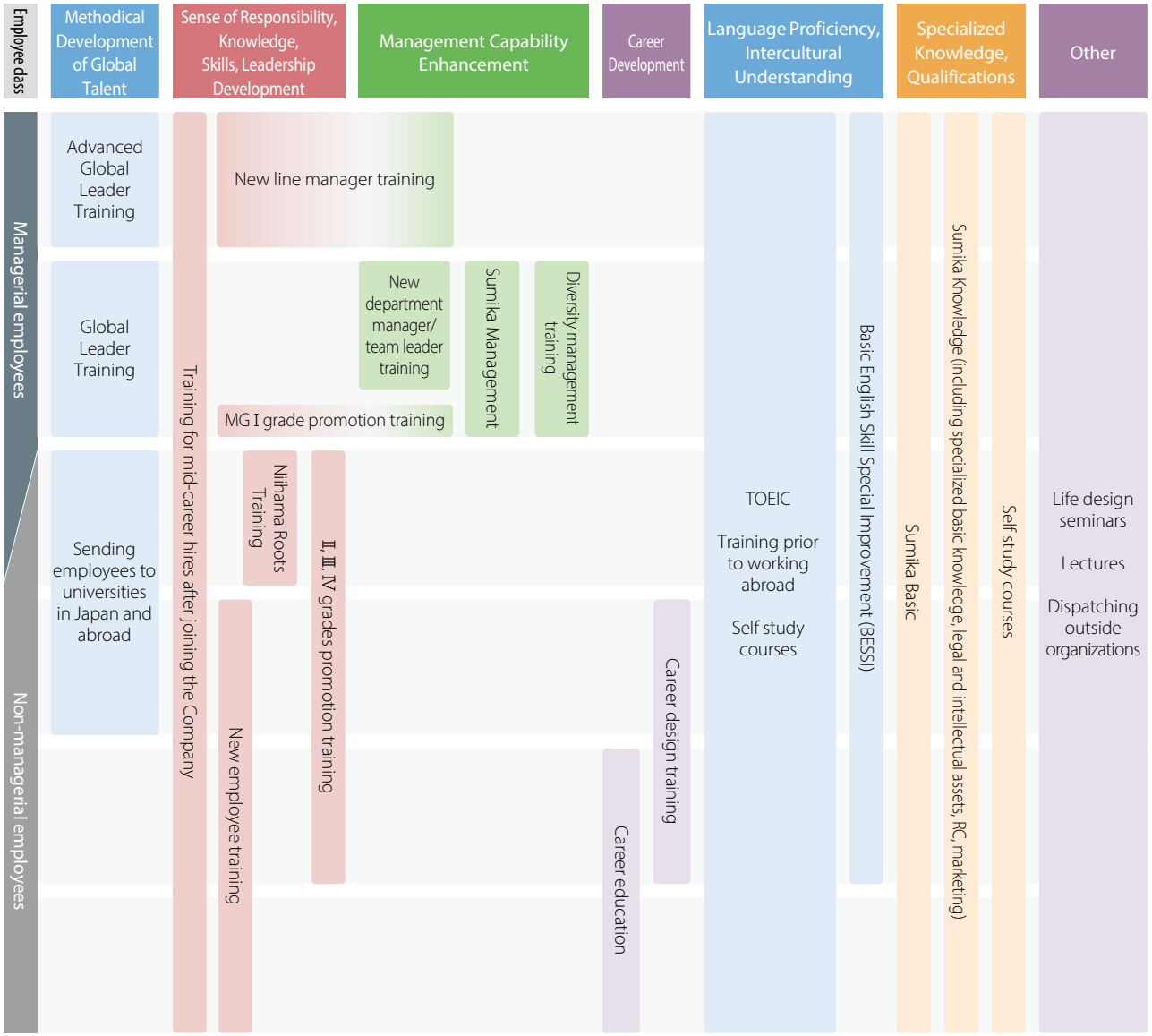
Human Resources Development and Growth

Basic Stance

We are implementing various training programs and measures for different purposes and employee classes to realize our current human resources system, the basic philosophy of which is "development and growth."

Specifically, we are developing all motivated and skilled employees and enhancing their capabilities by upgrading our training system to ensure alignment with positions and roles. Education includes class-based training, management skills enhancement training for managers, and programs to enhance language skills appropriate to global business development.

■ Organization of Training Programs



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

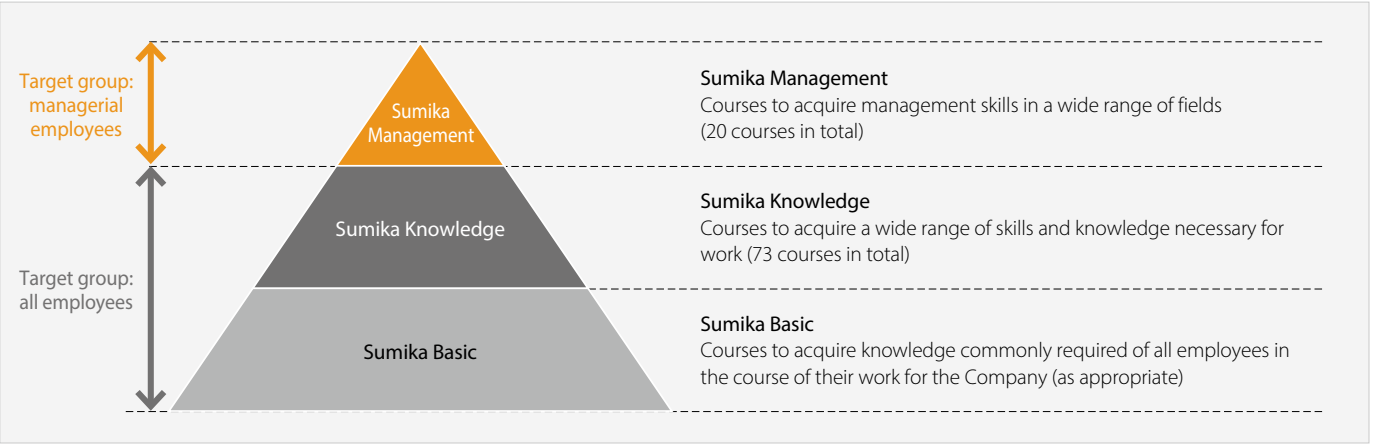
Targets and Results / Examples of Initiatives

Since FY2022, we have provided a learning platform called the SUMIKA Learning Square to enable all employees to update their knowledge and skills as and when necessary, regardless of their age, job title, or other such factors, thereby supporting autonomous and voluntary learning.

Moreover, in recent years, in addition to the aforementioned training systems and programs, to support the independent career building of all motivated and skilled employees, we are focusing on online programs that enable learning on smartphones and PCs with the slogan "whenever, wherever, and however many times."

Specifically, we offer a broad range of content open to all employees, including a comprehensive MBA curriculum spanning business basics to practical application, DX skills training, leadership training programs, an online language learning program for English and eight other languages, and an online English business writing course, and other programs. We are also working to raise the level of and strengthen the knowledge, skills, and language abilities of employees in global business development.

SUMIKA Learning Square



KPI

Target: 50% or more of all employees taking self-selected training programs by FY2024
Result: 39.4% (FY2023)

Investment in Training (Sumitomo Chemical)

FY2023 Results	Target
Approx. **350,000** yen/year per person	300,000 yen/year per person or more continuously

Time Spent on Training (Sumitomo Chemical)

FY2023 Results	Target
Approx. **139** hours/year per person (8% of regular working hours)	Aim to spend 10% of work time on training or studying for work

Methodical Development of Senior Management Candidates

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.

(1) Advanced Global Leader Training

In our Advanced Global Leader Training for general managers inside and outside of Japan, we instill management perspectives and insights among participants through lectures and discussions featuring the Company's executive officers and external experts.

(2) Global Leader Training

In Sumitomo Chemical's Global Leader Training for managerial employees both inside and outside of Japan, Sumitomo Chemical has worked with a graduate school of business with the goal of developing the employees' ability to propose and conceptualize business strategies. They decide on their own topics and provide advice on the content of these specific initiatives to the President and others in management.

■ Next-Generation Leader Development System

■ Training for Development of Global Talent (for select participants)

(No. of people)

Name	Approach	FY2021	FY2022	FY2023
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) Advanced Global Leader Training	The purpose of our global leader training program is to develop senior management. The program focuses on lectures and discussion.	—	13	10
(2) Global Leader Training	Our global leader training program focuses on action learning.	27	14	14

FY2023 Results

Participants
24
(breakdown: 22 men, 2 women)

Average time
66 hours per person

Management Skills Enhancement Training

We are conducting a training program to provide managers with the ability to guide their own organization and thus achieve their goals through the learning of general principles and practical skills needed for workplace management.

■ Management Skills Enhancement Training (required for all eligible employees)

(No. of people)

Name	Approach	FY2021	FY2022	FY2023
Management basic training	Training that promotes the systematic understanding of basic management principles and enables the practice of skills that can be used in the workplace	237	184	175
New department manager/ team leader training	Training for developing and guiding subordinates as well as managing workplaces from the perspective of risk management, including the authority of management supervisors in the Labor Standards Act	86	65	68
MG I grade promotion training	Training for management-level employees aimed at fostering self-awareness regarding their roles and occupational duties along with cultivating strong self-actualization and at changing their mindsets as organizational leaders	158	126	111
Training for new line managers	Training that depicts scenarios for transforming organizations and deepening knowledge through learning aimed at instilling the knowledge and perspectives needed in a general manager	—	25	34
Training in communicating with subordinates	Training on feedback methods used to develop subordinates and ensure understanding of basic communication policies	183	55	69
Diversity management training	Training covering management capabilities, including how to influence organizational performance, and the management qualities and skills needed to gather diverse personnel and guide them on teamwork and achieving goals	219	269	83

FY2023 Results

Participants **540**

Average time **15** hours per person

System for Passing on Skills and Developing Personnel

We have established a Trainer System, a Senior Training Advisor System, and an Advanced Maintenance Specialist System with the main aim of steadily passing on skills essential to the manufacturing frontlines and developing future core personnel.

■ System for Passing on Skills and Developing Personnel

(No. of people)

Name	Approach	FY2021	FY2022	FY2023
Trainer System	Highly skilled employees who have an aptitude for teaching provide instruction and advice to facilitate development.	64	58	65
Senior Training Advisor System	Supervisors and potential supervisors are provided OJT to develop core personnel for manufacturing departments.	8	8	9
Advanced Maintenance Specialist System	This system certifies people who have high practical knowledge and a wealth of experience in maintaining equipment to take the Company's safety level to the next level.	—	20	21

Enhancing R&D Capabilities (Sumitomo Chemical Academy)

This Company-wide seminar discusses technical issues related to the Company's businesses beyond the organizational framework and serves as a forum in which people can gain new ideas, knowledge, and perspectives aimed at realizing solutions. The seminar is also intended to provide fertile soil for innovation and the development of human resources. In FY2023, we held workshops on the five themes of fine chemicals, materials, life science, process engineering, and process systems, encompassing the Company's technical fields. Specialists with a top level of expertise in fields such as research and development served as the chair and vice chair of the workshops. Taking place over a period of about nine months, we worked to share and blend diverse and highly specialized expertise in order to nurture and highlight the emergence of useful ideas with the potential of leading to the development and creation of new businesses.

Healthcare

Basic Stance

To ensure that employees can live healthy and active lives both physically and mentally, Sumitomo Chemical is promoting a variety of health support programs to help solve employee health issues and on the other hand improve employee health.

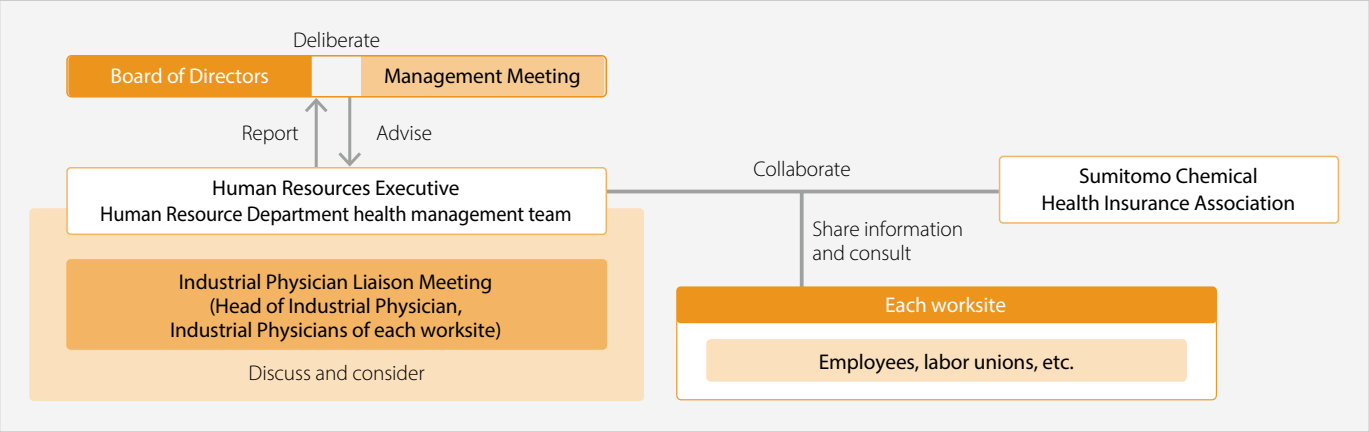
Management System

The Board of Directors and the Management Meeting seize opportunities to receive reports and hold discussions on the status of employee health and the direction of initiatives addressing various issues. At the annual liaison meeting of industrial physicians, the head of industrial physician and the industrial physicians of each worksite hold discussions and their opinions are being sought when deciding on Company-wide measures and targets. Moreover, the industrial physicians, medical staff (public health nurses, registered nurses, etc.), and health managers of each worksite work together to implement measures to maintain and promote employee health in collaboration with the Company and the Health Insurance Association.

Furthermore, at Health Manager Meetings, the progress of Company-wide measures at each worksite and the measures taken at each worksite are shared and the results are assessed. The Health Management Promotion Committee shares financial status of the Health Insurance Association's healthcare business and medical expenses.

As for Group companies, through liaison meetings encompassing executive officers in charge of human resources at Group companies, we announce such information as key points regarding legal amendments related to health management and disseminate information to ensure appropriate responses.

■ Promotion System for Health Maintenance and Promotion Measures



Targets and Results / Examples of Initiatives

To maintain employee health both physically and mentally, we are implementing the following initiatives.

Physical Health

Regarding employees of Group companies in Japan, we are working to improve their health by enrolling them in health insurance based on the Health Insurance Act. In addition, we are appropriately conducting regular health checkups based on the Industrial Safety and Health Act.

Initiatives Aligned with the Health Insurance Association

(1) Specified health checkups and specified health guidance

- We expanded the eligible age range for specified health guidance to include all ages as we work to prevent lifestyle diseases with the goal of ensuring 100% of employees receive such guidance.
- We analyze results and medical questionnaire responses to study employee health.

(2) Smoking cessation support programs

- We have banned smoking during work hours and on the Company's premises as a general rule and are supporting employees' smoking cessation efforts through specialized programs in conjunction with the Health Insurance Association.

Initiatives Promoted by Sumitomo Chemical (Non-Consolidated)

(1) Sleep improvement programs

- We introduced programs to improve sleep quality under the guidance of experts who use sleep monitoring devices to observe employees while sleeping and apps to visualize their sleeping issues. Ensuring employees get better sleep leads to improved health outcomes and helps employees give their best performance.

(2) Enhancing exercise and physical training environments

- We are promoting embedding of exercise habits by providing more and better opportunities for exercise, including increasing the number of physical training facilities we partner with (increased from approx. 420 facilities to approx. 5,800 throughout Japan).

Mental Health

We have been cooperating with medical staff to properly perform the stress checks required by law for companies. We are working to prevent mental health problems by encouraging employees to take care of themselves and encouraging superiors to look after their subordinates. Employees can receive counseling from the Company's medical staff. We have also set up external counseling services available to employees for individual counseling.

We also carry out group analysis through stress checks, and while analyzing trends at worksites and workplaces, we provide feedback to workplaces and select themes for lectures, etc., in an effort to provide mental healthcare to our employees.

Additionally, during the new employee training and the grade-based promotion training, we hold appropriate mental healthcare training for participants eligible for training, encouraging employees to take care of themselves and encouraging superiors to look after their subordinates. Besides, we produced lecture videos on mindfulness, which is said to contribute to building good human relationships and increasing productivity, and released them in-house as part of our efforts to improve the mental healthcare environment.

■ KPI

Target: Continuing certification as a Health & Productivity Management Outstanding Organization (White 500)

Result: Maintained certification over the past 7 years since fiscal 2017 (June 2024)

Health & Productivity Management Outstanding Organization (White 500)

After analyzing medical examination results and questionnaire responses, we set quantifiable targets, such as improving BMIs, and take various measures to maintain and promote employee health.

In addition, Sumitomo Chemical was certified as a Health & Productivity Management Outstanding Organization (White 500) for the seventh year in a row. The Company's various measures and systems related to health and productivity management received a positive evaluation.

2024 健康経営優良法人 Health and productivity ホワイト500

■ Percentage of regular health checkups*

FY2023 **99.6%**

Previous year 99.2%

■ Percentage receiving a full medical checkup*

FY2022 **56.4%**

Previous year 67.0%

■ Adequacy rate of BMI*

FY2023 **66.9%**

Previous year 67.4%

■ Smoking rate*

FY2023 **16.1%**

Previous year 16.0%

■ Percentage receiving specific health guidance*

FY2022 **89.1%**

Previous year 83.8%

Note: 40 years old and over

■ Stress check examination rate*

FY2023 **97.3%**

Previous year 94.0%

■ Participation in health events*: (Walking events)

FY2023 **46.6%**

Previous year 41.7%

* All figures are on SC only basis.

Occupational Safety and Health / Industrial Safety and Disaster Prevention

Basic Stance

Reflecting the core principle of "Making safety our first priority," the Sumitomo Chemical Group has formulated five fundamental and personal safety principles that each employee is expected to follow as well as guidelines based on the core principle. All Group employees and all involved parties, including partner companies, are thus united in promoting safety and health activities based on international standards (including occupational safety and health management systems*1 and machinery safety) with the goal of eliminating all accidents.

Although activities to enhance a culture of safety have taken root, we currently have not entirely eliminated severe accidents, including those resulting in fatalities. It is therefore important that we measure the level of safety culture reached by each workplace and constantly strive to make improvements as we strive to foster a culture where safety is a given. Furthermore, the Group undertakes stringent process risk assessments of the entire life cycle (development, manufacture, distribution, use, disposal), and takes appropriate safety measures based on its evaluation of risks. The aim of these efforts is to prevent unforeseen industrial accidents, including fires, explosions, and the leakage of hazardous substances, and to minimize damage in the event of a natural disaster such as a major earthquake.

Sumitomo Chemical has acquired the international standard ISO 45001 and OSHMS certification at its worksites. In addition, the Company implements PDCA cycles that support a host of measures on the path to realizing improvements based on risk assessments. These safety-related measures and their results are reviewed at the end of each fiscal year by the Responsible Care Committee, which is headed by the President. The reviews ensure a continuous connection to future fiscal years' cycles, thereby strengthening safety and health activities that prevent accidents. In addition, we will further strengthen our safety infrastructure by carefully managing our facilities and construction projects, providing advanced training for safety-related personnel, and introducing sophisticated risk assessment methods and cutting-edge technologies, including IoT, to bolster our employee safety and industrial safety management technologies. We will also prepare our responses to new threats, such as intensifying natural disasters and terrorism.

*1 ISO (International Organization for Standardization) 45001 and JISHA (Japan Industrial Safety and Health Association) OSHMS (Occupational Safety and Health Management System) Standards equivalent to OHSAS (Occupational Health and Safety Assessment Series) 18001

Core Principle: Making Safety Our First Priority

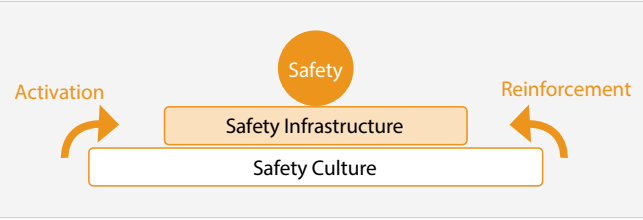
Raison D'être for the Core Principle

1. Line management is fundamental to Safety and Health.
2. Each person is responsible for Safety and Health.
3. Sumitomo Chemical is united with partner companies on Safety and Health.

Five Fundamental and Personal Safety Principles that Each Employee is Expected to Follow.

- I will give safety and health the top priority in every aspect of business.
- I will identify and resolve safety and health issues at the source.
- I will comply with rules and instructions.
- I will act with safety in mind 24 hours a day, not just during working hours.
- I will cooperate with all involved parties, including partner companies, to ensure safety and health.

■ Illustration of How We Ensure Safety through Safety Infrastructure and Safety Culture



Management System

The President serves as the chief coordinator and the executive officer in charge of Responsible Care serves as the coordinator of the Safety Group of the Responsible Care Department. This group is responsible for matters related to safety, health, industrial safety, and disaster prevention of the Company as a whole and supports the safety, health, industrial safety, and disaster prevention activities of Group companies. To assess the safety, health, and industrial safety management status and to consider measures for improvement, the safety, health, industrial safety, and disaster prevention departments of each worksite and Group company regularly meet and exchange information. In these and other ways, relevant departments work together to steadily enhance the level of safety, health, industrial safety, and disaster prevention activities.

In addition, Safety and Health Committees*2 (called the Safety & Health Committee at some worksites) comprising labor and management representatives are convened every month at each worksite of Sumitomo Chemical and Group companies in Japan. The committees investigate and deliberate matters related to safety and health risks to all employees at worksites and promotes specific measures in unison with labor and management. The minutes of the meetings of these committees are shared with all employees within the worksites. Group companies overseas also share policies and initiatives related to safety, health, industrial safety, and disaster prevention through the Global Meeting and other meetings.

*2 Worksites with 50 or more employees

P.072 Organization of Responsible Care

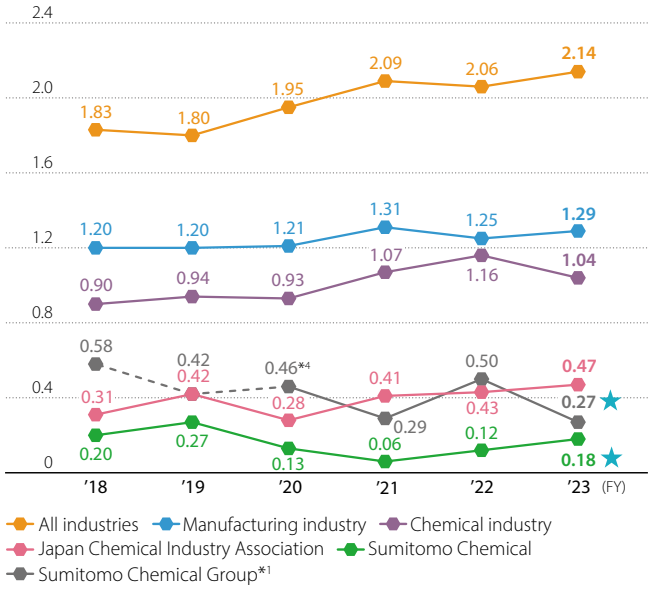
★: Assured by an independent assurance provider

Goals and Results

Occupational Safety and Health

The Sumitomo Chemical Group*1 targets a frequency rate of lost-workday injuries*2 of under 0.1, but its rate was 0.27 in fiscal 2023, or a total of 23 injuries, failing to meet the target. Moreover, while the Group has set a goal of zero severe accidents,*3 a contractor at a Sumitomo Chemical facility recorded one fatal accident in fiscal 2023, the same number of severe accidents as the previous fiscal year, failing to meet the target. On a non-consolidated basis, Sumitomo Chemical recorded a frequency rate of 0.18 (lost-workday injuries: 3) and a severity rate of 0.008 in fiscal 2023, while contractors and other affiliate companies recorded a frequency rate of 0.42 (lost-workday injuries: 4) and a severity rate of 0.80.

Frequency Rate of Lost-workday Injuries



Lost-workday Injuries (Sumitomo Chemical Group*1)

		FY2019	FY2020	FY2021	FY2022	FY2023
Number of injuries (including fatalities)	Sumitomo Chemical	4	2	1	2	3
	Sumitomo Chemical contractors (including others)	10	5	6	6	4
	Domestic consolidated subsidiaries	—	17	11	16	8
	Overseas consolidated subsidiaries	—	16	8	20	8
	Total	—	40	26	44	23

*1 The Sumitomo Chemical Group as defined for occupational safety and health:
Until FY2019: Sumitomo Chemical (including contractors) and consolidated Group companies in Japan and overseas.
From FY2020 onward: Sumitomo Chemical (including contractors) and consolidated subsidiaries in Japan and overseas.

*2 Scope of frequency rate: Employees of Sumitomo Chemical (including contractors) and consolidated subsidiaries, including temporary employees, part-time staff, and dispatch employees.
Calculation of hours worked: For the number of hours worked by consolidated Group subsidiary employees, the Company uses an estimate reached by multiplying the number of employees by 1,928 hours (Sumitomo Chemical's standard number of hours worked annually). (For the number of hours worked by Sumitomo Chemical employees (non-consolidated) and contractors, the Company uses the actual number of hours recorded.)

*3 Severe accidents are defined as those that result in a fatality or those that result in severe lost-workday injuries, including blindness and loss of a limb.

Disaster Prevention

Regarding the fatal accident at the Ehime Works in November 2021, all management executives and employees have gravely accepted the seriousness of this accident, identified problems, and thoroughly debated preventive countermeasures. We have implemented the following initiatives.

We reaffirm the core principle of "Making safety our first priority," are keenly aware of our mission to protect precious life, and will continue working with all our might to ensure this kind of tragic accident never occurs again.

(1) Revisions were made to the Development and Commercialization Regulations to include a method for taking intrinsic safety into account. A review meeting that confirms fundamental safety has been newly established and is being carried out.

(2) Using a third-party agency, we perform partnership surveys with each of our partner companies and implement necessary measures.

(3) Having performed a zero-based review of our safety-related activities to date, we continuously carry out these activities within the framework of our management system. In addition, to prevent a recurrence at Ehime Works, we are promoting facility countermeasures, including those to address root causes.

Industrial Safety and Disaster Prevention

The Sumitomo Chemical Group*1 did not achieve the target of "no severe industrial accidents"*2 in fiscal 2023, recording two severe industrial accidents.

One accident was a fire that occurred at the factory of an overseas Group company, and the other involved a worker at a domestic Group company who was injured by the breaking of experimental equipment, resulting in a lost-workday injury. We shared the lessons of these accidents within the Group and took measures to prevent recurrences.

In addition, there were seven industrial accidents, which are minor accidents whose scale does not reach that of a severe industrial accident, in fiscal 2023. We will work to enhance industrial safety management and quickly share the causes of the minor industrial accidents and the lessons learned across the entire Sumitomo Chemical Group.

Severe Industrial Accidents (Sumitomo Chemical Group*1)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of severe industrial accidents	0	0	1	0	2

*1 The Sumitomo Chemical Group as defined for industrial safety and disaster prevention: Sumitomo Chemical (including contractors) and consolidated Group companies in Japan and overseas.

*2 "Severe industrial accidents" refers to any of the following workplace incidents:
- Accidents that cause injuries to local residents requiring outpatient/hospital treatment
- Accidents that result in lost-workday injuries to workers on the site
- Accidents that result in equipment and facility damage exceeding 10 million yen

Examples of Initiatives

Occupational Safety and Health

Sumitomo Chemical thoroughly investigates the causes of each accident and works to prevent accidents by taking such measures as ensuring strict adherence to safety rules, providing hazard prediction training, also known as Kiken Yochi Training (KYT), and sharing accident information. In addition, we are working to raise safety awareness among all partner companies that enter our Works and research laboratories by distributing pocket-size cards and entrance certificates that feature the ground rules and core principles of safety as we promote our initiative of "Making safety our first priority."

Ensuring Thorough Compliance with the Sumitomo Chemical Group's Basic Safety Rules (Ground Rules)

In light of trends in the causes of accidents, the Group has established the following ground rules and is working to ingrain safe behavior.

1. Think Before You Act!
2. Help each other to be more aware of unsafe actions
3. Do not place hands in or around areas of working machinery/equipment

Improving Hazard Prediction Abilities

We are working to improve employees' hazard prevention ability—their ability to perceive and avoid danger—through, for example, behavior-based safety training and workplace discussions using illustrations.

Sharing and Using Accident Data

The Group shares information about all accidents mainly for use in safety education and comprehensive on-site investigations. When an accident occurs, we conduct a thorough examination of the causes and organize studies on how to prevent recurrences through on-site inspections with the top management of the affected workplace and safety managers.

Awards for Safety

Safety awards are given to workplaces (Works and research laboratories) that achieve zero lost-workday injuries. The President's Award for workplace safety is presented to workplaces with both a solid safety track record and good practices for safety and health, which could be an example to other workplaces. The President's Award was given to eight workplaces in fiscal 2023.

Safety Promotion through In-house Magazine, Slogan and Poster

Since fiscal 2013, in our in-house magazine entitled "Raising the Level of Safety!" (renamed "Learn through Manga! Promoting a culture of safety" since fiscal 2019), we have introduced examples of accidents that tend to happen at work and their preventive measures in a series of articles on enhancing safety.

Preventing Severe Accidents in Subcontracted Operations and Construction Operations

Sumitomo Chemical is taking action across the Company to ensure the safety and health of all involved parties, including partner companies. For example, one of the key initiatives outlined in the "Fiscal 2022 to Fiscal 2024 Medium-Term Plan for Responsible Care Activities" and "Fiscal 2023 Annual Responsible Care Policy" is responding to changes in employment structure, working to establish a foundation to ensure work safety and health, and promoting measures to prevent severe accidents in subcontracted operations and construction operations. We also conduct thorough risk assessments.

Risk Assessment of Chemical Substances

Sumitomo Chemical and all Group companies in Japan* that handle chemical substances conduct risk assessments of chemicals based on the Industrial Safety and Health Act and strive to reduce the risk of crises caused by chemicals.

* The percentage of worksites that conducted assessments at Sumitomo Chemical and Group companies in Japan is 100%.

Industrial Safety and Disaster Prevention

Risk Management Initiatives

Sumitomo Chemical manages risks related mainly to process safety, chemical (raw materials, products) safety, and occupational safety and health at each stage from new chemical process R&D through the commercialization process to plant design, construction, operation, maintenance, and even demolition. The items and procedures essential to risk management are specifically outlined in the Development and Commercialization Regulations, the Safety Management Rules, the Chemical Safety Management Regulations, and other similar documents that provide the standards for the Company. In addition, we introduced this system to major consolidated subsidiaries as part of efforts to enhance safety management across the entire Group.

■ Risk Management (Three Routes)

① Evaluation of New Processes

The Process Safety Review Meeting (levels 1 to 5) convenes at every step, from R&D through to industrial-scale production. These meetings are held to identify risks related mainly to process safety and chemical safety, to review risk assessment results as well as to determine whether safety countermeasures are appropriate. This mechanism ensures that processes do not proceed to the next step unless adequate safety has been confirmed. Furthermore, before starting operations, the meeting conducts safety reviews to assess responses to risks related to occupational safety and health. For example, the meeting confirms the absence of problems in the operational environment (including temperature, noise, vibration, etc.), if safety signs are appropriately displayed, if necessary personal protective equipment and ample equipment and materials for emergency have been secured, and whether there is sufficient preparation of and education regarding instruction manuals.

② Management of Changes

When certain changes are made to, for example, improve plant facilities or modify operating conditions, the Company conducts all necessary safety assessments before such changes are made to confirm whether there are new risks related mainly to process safety, chemical safety, and occupational safety and health following the changes and to, as needed, consider additional safety measures.

③ Regular Review of Existing Processes

Even when there is no change in the process, Sumitomo Chemical conducts regular process hazard reviews (no more than every five years, as a general rule) to catch up with the latest information on industrial safety technologies and to check whether there will be a significant impact from the long-term use of a plant. In addition, in our internal audits conducted every year for each workplace, we check whether or not safety management systems are functioning appropriately.

Preparation for Large-Scale Natural Disasters

Sumitomo Chemical drew up a basic plan on earthquake countermeasures in 2004, taking the initiative to improve the earthquake resistance features of equipment that was especially susceptible to the risk of damage. Furthermore, in accordance with recent directives by government authorities to improve the seismic adequacy of existing facilities, we made a plan to obtain required earthquake-resistant features of critical high-pressure gas equipment and are carrying out reinforcements and reconstruction in line with the plan. Before carrying out this work, we took measures to reduce risk and ensure safety, such as reducing the volume of gas held in equipment in order to decrease its weight and meet the earthquake resistance criteria.

In addition, as natural disasters continue to grow more extreme, including the typhoons and torrential rains seen in recent years, we continually review the current status of our safety measures to ensure they are adequate and take measures aimed at securing facilities and personnel as necessary. Furthermore, we confirmed that even in the event of flooding inside a plant due to a typhoon or torrential rain, the risk of the following is low: a loss of power to the plant's cooling facilities or water-reactive substances inside the warehouse coming into contact with water causing large-scale fires and explosions that could cause trouble for neighboring residents.

Safety Education and Drills

Sumitomo Chemical has a variety of industrial safety educational programs that reflect the operational roles of employees throughout the Company. The programs are aimed at bolstering the ability of employees to acquire knowledge and skills in order to ensure process safety. In addition, we provide safety education to Group companies in Japan suited to each company's needs.

At each of their worksites, Sumitomo Chemical and Group companies conduct education when necessary regarding operational details, substances handled, and the setup of protective equipment for operators who need to consider occupational health and safety in situations such as operations in high places, operations in hazardous places with poor oxygen, operations in high or low temperature environments, operations in high-noise environments, and operations handling specified chemical substances and organic solvents. In addition, special health assessments are made, operational environments are monitored, and workplace patrols are regularly conducted by occupational physicians and health inspectors as we strive to upgrade and maintain operational environments.

Examples of Safety Education and Drills at Sumitomo Chemical Worksites

Safety Education Examples	Safety and health training for new employees, newly appointed supervisors, and newly appointed managers; briefings on laws and regulations (Industrial Safety and Health Act, High Pressure Gas Safety Act, Fire Service Act, etc.), health management system education, safety and health seminars (protective equipment, etc.), hazard experience training (exposure to liquids, squeezing, falling, etc., includes VR training materials.), hazard prediction training, also known as Kiken Yochi Training (KYT), training in accident analysis methods (the five whys, etc.) safety and health education in officers, traffic safety education, etc.
Safety Drill Examples	Petrochemical complex integrated emergency response drills (municipalities, companies in petrochemical complex districts), earthquake and tsunami evacuation drills, joint firefighting drills with specialized firefighting teams and workplace firefighting teams, drills using fire extinguishers and fire hydrants, drills on lifesaving procedures (AEDs, etc.), drills on emergency contacts at night and on holidays, etc.

In addition, for everyone at partner companies conducting operations within our worksites (works, research laboratories), we provide safety education for entering worksites (basic policy on safety, basic rules inside worksites, etc.), construction supervisor training (supervisor obligations, risk assessments, etc.), hazard experience training, and more.

FY2023 Main Safety Education Programs (Company-wide Education)

Name	Type	Purpose	Boundary	Participants
Disaster Prevention Theory	E-learning	Promoting the acquisition of basic knowledge regarding industrial safety and disaster prevention for fires, explosions, reaction hazards, static electricity, etc.	Sumitomo Chemical (Works, research laboratories)	102
			Group companies in Japan	11
Fire and Explosion Training	Group training and self-study	Promoting the acquisition of knowledge to prevent accidents and perceive hidden dangers in the workplace through hands-on training related to fires and explosions	Sumitomo Chemical (Works, research laboratories)	211
			Group companies in Japan	50
HAZOP* Training	Group training	Training personnel to learn the basics of HAZOP and to be able to conduct HAZOP	Sumitomo Chemical (Works, research laboratories)	61
			Group companies in Japan	2

* HAZOP:
A method of assessing process hazards that was developed with the aim of uncovering all latent hazards in chemical processes, assessing those impacts and results, and considering necessary safety measures.

Industrial Safety Action Plan

In a bid to step up efforts aimed at promoting industrial safety, industry organizations came together with the Japan Petrochemical Industry Association to draw up an industrial safety action plan in July 2013 that is revised every year. Here we introduce the Company's initiatives based on the action plan.

(1) Commitment by Top Management to Industrial Safety

- Sumitomo Chemical has identified efforts to ensure full and strict compliance and maintain safe and stable operations as one of the Group's priority management issues under its Corporate Business Plan.
- The President issues a safety week message to all employees and Group companies in Japan and overseas to coincide with National Safety Week, which begins on July 1 each year.
- We have held the President's Awards for workplace safety on a continuous basis since fiscal 2012.

(2) Setting Industrial Safety Targets

- Each year, Sumitomo Chemical sets targets for a variety of key parameters, including the elimination of all accidents resulting in lost workdays as well as all severe industrial accidents. The Company engages in a broad spectrum of activities aimed at achieving these targets.

(3) Drawing Up an Action Plan to Secure Industrial Safety

- Sumitomo Chemical pursues activities aimed at thoroughly identifying industrial safety risks that encompass regular and irregular operations.
- Sumitomo Chemical has introduced an internal certification and qualification system related to process risk assessment (safety engineer (SE)).
- Sumitomo Chemical promotes smart security utilizing such new technologies as AI and IoT.

(4) Checking and Evaluating Progress toward Achieving Targets and Implementing Measures

- The Responsible Care Committee reviews progress toward the achievement of targets and the implementation of measures. Findings under this review are reflected in the plan for the next fiscal year.

(5) Initiatives Aimed at Promoting Voluntary Safety Activities and the Fostering of a Culture of Safety

- The Sumitomo Chemical Group established the ground rules related to safety and strives to foster a culture of safety.
- Sumitomo Chemical designates one day each month as a "safety day" in an effort to continuously focus the attention of the entire Group on the importance of industrial safety.
- Academic experts conduct seminars and undertake an evaluation of safety assurance capabilities by the Process Safety Competency Center of Japan Society for Safety Engineering.

Logistics Initiatives

The Sumitomo Chemical Logistics Partnership Council was formed by Sumitomo Chemical and the logistics subcontractors (114 companies) for Sumitomo Chemical and its Group companies in Japan with the core principle of "Making Logistics Safety the First Priority." The Council maintains committees for Works in each area as well as for stock points (transport and storage) and marine transport-related operations nationwide. The Council is expanding the Logistics Department's responsible care activities. In fiscal 2023, we conducted discussions, such as exchanges of opinions, to further strengthen our partnerships with logistics subcontractors, and focused on further promoting the activities of this council.

In terms of health and safety, there were two accidents resulting in lost workday injuries, so we did not achieve zero accidents. We will continue to review operational risks and further improve the level of safety and health management.

In addition, as for industrial safety and disaster prevention, we present our logistics subcontractors with transport standards to ensure safety, such as safety management rules related to the land and marine transport of hazardous substances, and strictly ensure the rules are followed. We built a system under which we cooperate with logistics subcontractors even during critical times when an accident occurs to quickly arrive at the crisis site and address the situation as well as a system that enables rapid response to accidents, to this end joining the Hazardous Materials Emergency Response Service of the Maritime Disaster Prevention Center.

Lost-workday Injuries in Logistics

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of cases	5	1	0	0	2

Note: Lost-workday accidents caused by logistics subcontractors on the premises of Sumitomo Chemical workplaces and lost-workday accidents caused by major logistics subcontractors outside the premises of Sumitomo Chemical workplaces.

Product Stewardship / Product Safety / Quality Assurance

Basic Stance

Product Stewardship at Sumitomo Chemical

Under its Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality), the Sumitomo Chemical Group promotes product stewardship*1 and works to provide products and services that satisfy customers and can be used with peace of mind.

To achieve the "2020 Targets,"*2 which were proposed at the World Summit on Sustainable Development (WSSD) in 2002, the Strategic Approach to International Chemicals Management (SAICM) was adopted and risk-based chemicals management was promoted in terms of both legal regulations and product stewardship by companies. September 2023 saw the adoption of the successor to SAICM, the Global Framework on Chemicals (GFC), as a new international framework for the appropriate management of chemical substances, and product stewardship activities by companies are becoming ever more important.

Sumitomo Chemical promotes voluntary initiatives to enhance product stewardship, including the Global Product Strategy (GPS)*3/ Japan Initiative of Product Stewardship (JIPS)*3 put forward by chemical industry associations, including the International Council of Chemical Associations (ICCA) and the Japan Chemical Industry Association. We actively participate in capacity-building activities, conduct risk assessments of our products, and perform risk-based management. We will continue responding to international trends by promoting appropriate risk-based chemical management and continually conducting safety risk assessments of all products, including newly introduced items.

*1 The assessment of risks and protecting people's health and the environment from those risks throughout the product life cycle, which encompasses the entire supply chain from the development of chemical products to manufacture as well as sale, use/ consumption, and disposal.

*2 Ensure that by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment.

*3 Initiatives that call on companies to conduct risk assessments of their products and to engage in appropriate chemical management based on risk in order to minimize risks throughout the supply chain. Under GPS/JIPS, toxicological information on chemical products is disclosed to the general public, including customers.

Ensuring Thorough Compliance

Sumitomo Chemical Group conscientiously adheres to various laws and regulations related to the manufacture, import, export, and sale of goods. We are working to ensure thorough compliance throughout our entire globally expanding group of companies. The pace of establishment and revision of laws and regulations relating to chemical management is expected to pick up in even more countries and regions in the near future. Closely collaborating with Group companies in Japan and overseas, Sumitomo Chemical consistently undertakes thorough compliance initiatives that involve strengthening information gathering capabilities on the regulatory trends as well as enhancing the functions of its comprehensive chemical management system (SuCCESS*4).

*4 Sumitomo Chemical Comprehensive Environmental, Health & Safety Management System (SuCCESS)

Quality Assurance

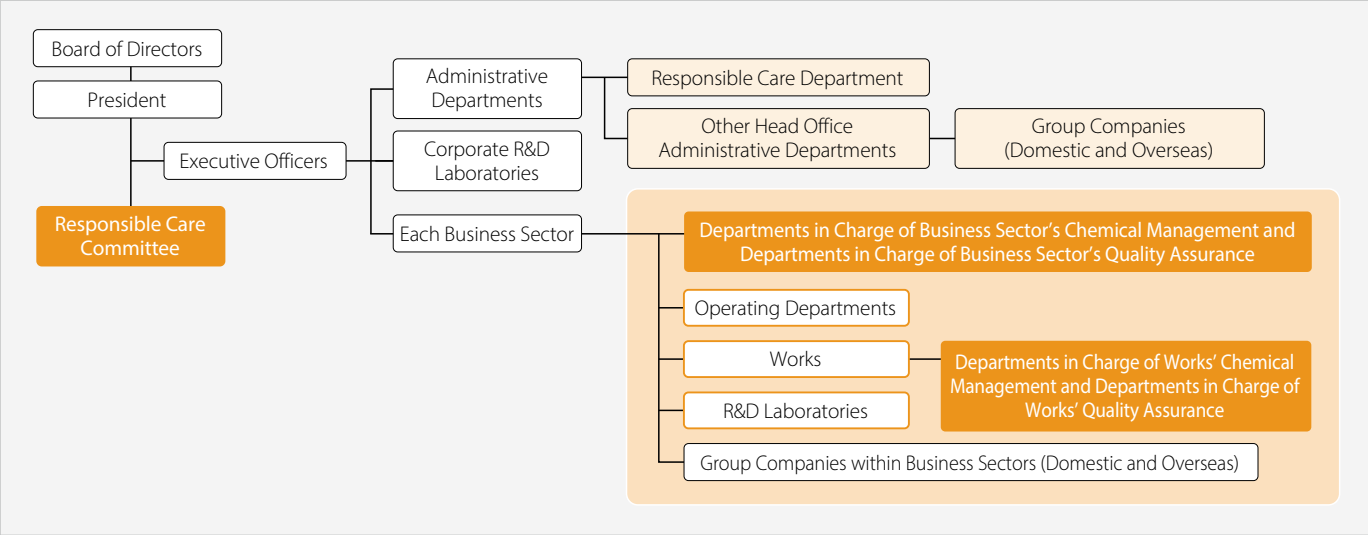
In line with the value it places on the trust it has earned from customers and society and its aim to further improve customer satisfaction, the Group continually works toward the optimization of its quality assurance system by enhancing the Group-wide quality assurance level so that customers can use Group products and services with peace of mind.

Management System

As the highest body for deliberating and approving Sumitomo Chemical's RC activities, the Responsible Care Committee is chaired by the President and comprises executive officers supervising the administrative departments and the four business sectors of the Company, and the General Manager of each Works. The Committee puts in place annual policies on RC activities, including chemical management and quality assurance activities; medium-term plans; and specific measures as they relate to responsible care. The Committee also analyzes and assesses the results of responsible care activities.

In addition, the Responsible Care Department oversees the Company's chemical management and quality assurance activities as well as supports each Group company's chemical management and quality assurance activities. Each department in charge of chemical management and quality assurance for Works promote appropriate chemical management and quality assurance activities for their respective Works and department.

■ Organization of Chemical Management and Quality Assurance Activities



Goals and Results

For goals and results for Product Stewardship / Product Safety / Quality Assurance, refer to the section entitled, "Social Activity Goals and Results."

P.132 Social Activity Goals and Results:
Product Stewardship / Product Safety /Quality Assurance

Examples of Initiatives

Risk Assessment and Management throughout the Entire Product Life Cycle

With regard to the chemicals (products) that it uses and sells, Sumitomo Chemical conducts risk assessments that span the entire product life cycle and all that could be affected, including internal operators, neighboring residents, the surrounding environment, customers, and consumers. The Company supports the Ministry of the Environment's Eco-First Program and completed appropriate whole life-cycle risk assessments for its products manufactured or sold in annual amounts of one ton or more by fiscal 2020 to promote the voluntary initiatives (GPS/JIPS) adopted by chemical industry associations. The results of these assessments are compiled into a safety summary and made publicly available online, including on the Japan Chemical Industry Association (JCIA)'s portal website. From fiscal 2021, we will continue to conduct appropriate risk assessments of products that are newly included in the scope through, for example, product development (reinspection of risks of already assessed substances based on the latest insights).

In conducting chemical risk assessments, it is necessary to collect information regarding the hazards associated with each product and the levels of human and environmental exposure when products are handled. Based on the information needed for these risk assessments, we work to ensure that customers and employees handle chemical substances safely. To this end, we have created a collaborative framework centering on the Responsible Care Department and encompassing the frontlines of production and our internal research laboratories, which possess specialized technologies in risk assessment and safety engineering. To estimate exposure levels, the Company draws on projection models and expert insights in Japan and overseas and has developed its own simulation program. We also use the latest technology to efficiently conduct highly precise risk assessments. In line with our internal rules, during the development of new products, we collect data regarding risks and hazards for all handled substances before entering the production stage and survey and respond to all relevant laws and regulations. We will continue to conduct risk assessments based on the most up-to-date information available.

Japan Chemical Industry Association (JCIA)
Chemical risk assessment support portal
https://www.jcia-bigdr.jp/jcia-bigdr/en/material/icca_material_list

Risk Management for Product Safety

As for risk assessments of product safety, it is necessary to assess the risks of chemical substances in products as well as the risks associated with product applications and uses. Taking into consideration not only their use by our direct customers but also the use and disposal of such products by their end-users, we conduct risk assessments of applications and uses using failure mode and effects analysis (FMEA)* and other methods in addition to chemical substance risk assessments. Sumitomo Chemical conducts rigorous risk assessments of new products and reassesses items already on the market. In fiscal 2023, we performed 58 risk assessments. Going forward, we will continue to conduct rigorous risk assessments of new products and regularly conduct reassessments of products already on the market. In addition, we continue supporting Group companies in conducting similar product risk assessments and countermeasures.

* FMEA: A systematic method of analysis for detecting potential malfunctions and defects with the objective of their prevention

Providing Products and Services of Stable Quality

In order to continue to supply its customers with satisfying products and services that can be used with peace of mind, the Sumitomo Chemical Group has established quality assurance systems based on quality management systems (such as ISO 9001*1) and manufacturing and quality management guidelines (GMP*2) appropriate for each product and service. In addition to maintaining thorough day-to-day product quality control, we are committed to further improving product quality.

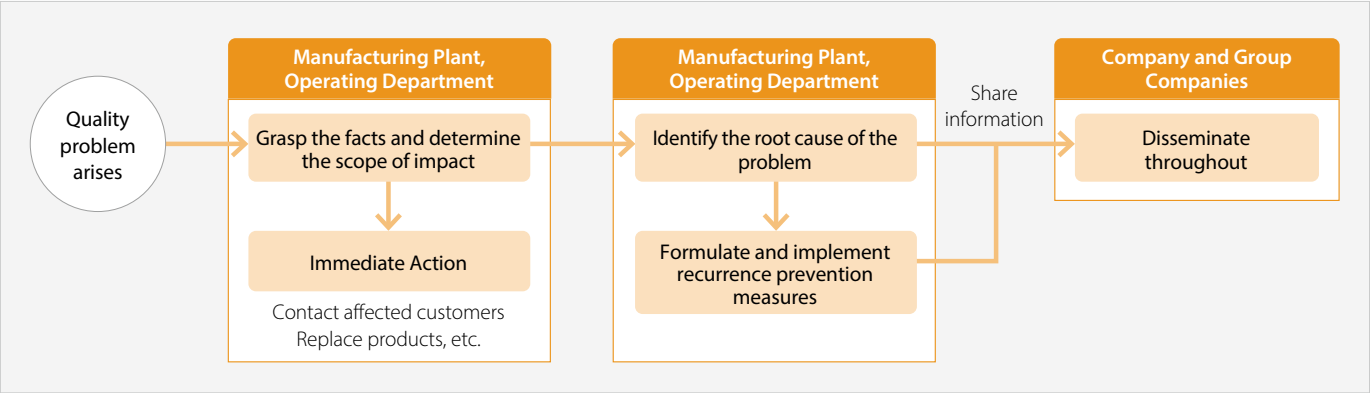
When a problem related to the quality of our products or services occurs, we grasp the facts and determine the scope of impact in line with internal rules. We then take immediate action, such as contacting affected customers and replacing products. We subsequently work to identify the root cause of the problem, formulate and implement recurrence prevention measures, and implement those measures. Moreover, from the perspective of preventing recurrence of similar quality problems, depending on the severity of the problem, we disseminate information related to the root cause and recurrence prevention measures within the Company and to Group companies. We are committed to ensuring the prevention of problems in the first place.

In fiscal 2023, there were major quality problems in the Sumitomo Chemical Group. Going forward, we will also work to strengthen quality assurance for the entire Group by sharing information and activities related to quality and product safety. Furthermore, in order to continue supplying products and services of stable quality worldwide while addressing growing supply chain diversification accompanying its business expansion and the increasingly sophisticated needs of customers, the Group is enhancing its global quality assurance system through measures that include strengthening the management of overseas suppliers and contractors.

*1 The international standards on quality management systems issued by the International Organization for Standardization (ISO).

*2 Good Manufacturing Practice (GMP): Guidelines relating to the manufacturing and quality management of pharmaceutical products, etc.

Flowchart of How We Handle Quality Problems



The Information Sharing System and Ensuring thorough Compliance

The governments of Europe, the Americas, China, and the Asia Pacific region hold considerable way over trends in global laws and regulations. To ensure thorough compliance, we post product stewardship specialists at our regional headquarters in these areas and are constructing a system to swiftly collect information related to regulatory trends. Especially in Europe, China, South Korea, Taiwan, Southeast Asia, and India, where there is active movement regarding legal revision/improvement, we are appropriately complying with the chemical regulations of each country in cooperation with our group companies.

As a response to the REACH Regulation in Europe, which is a world leader in terms of laws and regulations, we are moving forward with appropriate legal registration, managing our supply chain, and properly transferring information. In addition, our local Group company Sumitomo Chemical Europe is drawing up letters about its registration status in response to its customers' requests as well as a declaration of conformity, which states the status of compliance and certificate acquisition with regard to various regulations.

In fiscal 2023, there were no reports of violations of regulations for Sumitomo Chemical products and services at any stage of their life cycles.

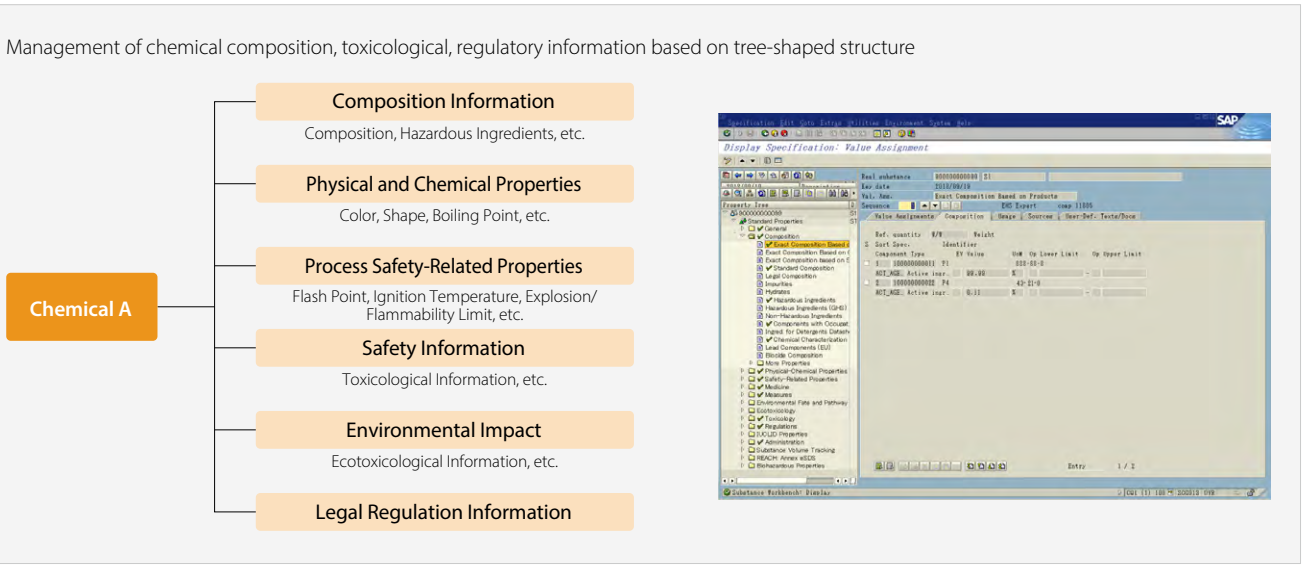
Effective Use of SuCCESS

In order to appropriately manage and effectively use information on chemicals handled by the Company, such as their composition, toxicological information (risks and hazards), and regulatory requirements, Sumitomo Chemical has developed the Comprehensive Chemical Management System (SuCCESS). This system is used in order to respond to inquiries from customers concerning substances contained in our products and precisely comply with laws and regulations in Japan and around the world, such as the REACH Regulation in Europe. We also use this system to create SDSs*1 in around 40 languages to comply with GHS*2 and accurately and efficiently communicate hazard information throughout the supply chain. This system is also being proactively rolled out to Group companies. We had installed the system at 15 Group companies in Japan and overseas as of fiscal 2023. In addition, we are using SuCCESS to calculate the manufactured volumes reported to the government under the chemical substances control law via a substance volume tracking (SVT) system as well as to calculate exported volumes.

*1 Safety Data Sheets (SDS): SDSs include information on the safe handling of chemical products (properties, handling methods, safety measures, etc.) and should be created in compliance with the Japanese Industrial Standards (JIS) and the standards set by the International Organization for Standardization (ISO).

*2 Globally Harmonized System of Classification and Labeling of Chemicals (GHS): In 2003, the United Nations established these global rules for how to convey information about the classification and degree of hazards for chemical substances.

■ SuCCESS Comprehensive Chemical Management System



Providing Toxicological Information

To ensure its products are handled safely, Sumitomo Chemical uses SDSs and labels to provide customers with toxicological and regulatory information about the chemical substances they contain and the hazard data consolidated in SuCCESS. Furthermore, especially regarding products requiring warnings about their handling, we create yellow cards that are a simplified version of their SDSs. This provides logistics operators with the information they need to ensure they can respond appropriately to an emergency situation during transportation.

Sharing Information on Chemicals in Products

Countries and regions around the world are moving forward with regulations on chemicals in products, as represented by the European Union's RoHS Directive*3 and REACH Regulation.*4 Because the content and required action for these regulations differs by country, region, and product field, we need to properly manage the chemicals present in not only final products but also raw materials and parts, and we need to accurately share this information on the chemicals present across the supply chain.

As a founding member of the Joint Article Management Promotion-consortium (JAMP), Sumitomo Chemical encourages acquiring and sharing information using chemSHERPA, which is an information-sharing scheme promoted by JAMP, and provides information in response to customer demands.

*3 An EU law related to restricting the use of specific hazardous substances, such as those in electric and electronic equipment

*4 A regulation related to the registration, evaluation, authorization, and restriction of chemicals within the EU

Laboratory Animal Welfare

In the field of safety assessment, methods that do not use laboratory animals are being developed. With this in mind, Sumitomo Chemical is actively developing new assessment methods, including structure-activity relationship approaches and other ways of minimizing the use of laboratory animals for safety assessments. However, in product development and other endeavors, there are times when animal studies are irreplaceable. The Company has set internal rules for such studies based on laws, regulations, and guidelines. Accordingly, the Institutional Animal Care and Use Committee (IACUC) examines study plans from the perspective of animal welfare based on the 3Rs* of replacement, reduction, and refinement and from the perspectives of preserving the environment and ensuring the safety of the personnel involved. In this way, we conduct animal studies appropriately with due consideration for animal welfare. We also conduct periodic in-house inspections and assessments to confirm that our activities are in compliance with various laws, regulations, in-house rules, and more.

Furthermore, we are working hard to confirm whether subcontractors of animal experiments and the suppliers of animals used in experiments similarly conduct animal studies with appropriate consideration for animal welfare.

* The 3Rs: From the Law for the Humane Treatment and Management of Animals
Replacement: To the greatest extent possible, replace methods that involve animals with those that do not.
Reduction: To the greatest extent possible, reduce the number of animals used.
Refinement: To the greatest extent possible, refine methods to minimize the suffering of animals.

Responses to Latest Emergency Issues, Including Reducing Marine Plastic and Microplastics

Microplastics, plastic additives, and marine plastic pollution have become global problems in recent years. From November 2022, an intergovernmental negotiation committee has been holding discussions aimed at developing an international legally binding instrument on plastic pollution. Having long recognized the importance of this issue, Sumitomo Chemical quickly agreed to the measures of the Japan Plastics Industry Federation and bolstered its internal education system. We also participate in the International Council of Chemical Associations (ICCA) and Japan Chemical Industry Association's task force. We are working to keep abreast of the latest issues and are also proposing our comments to the aforementioned organizations.

Responsibility to Our Customers

Basic Stance

Throughout the Group, Sumitomo Chemical is working to provide high-quality products and services that can be used safely while satisfying customers' recently diversifying needs, and sales managers and customer consultation offices provide support tailored to products and specific details.

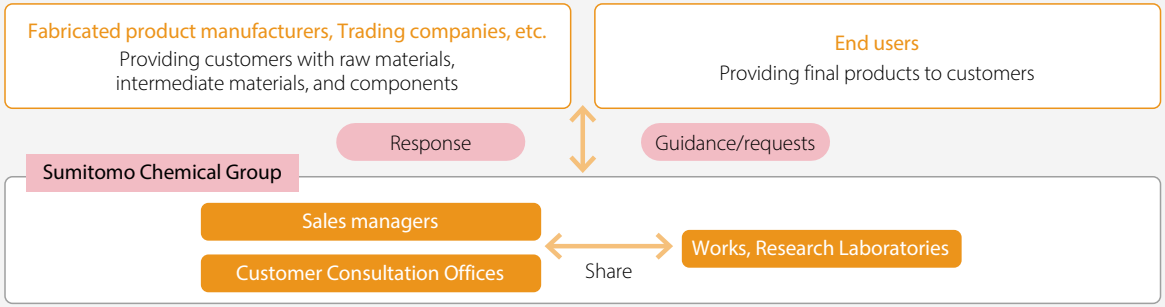
Business & Products

https://www.sumitomo-chem.co.jp/english/products/

Management System

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 inquiries and requests for improvements in product quality are stored on an internal database to prevent similar issues from occurring.

■ Customer Communication System



Examples of Initiatives

In this section, we will introduce the Sumitomo Chemical Group's initiatives in agriculture and gardening related products that are closely entwined with customers' daily lives.

Product Development for Sustainable Agriculture

Sumitomo Chemical's AgroSolutions Division-Japan is focusing on developing new sustainable agricultural technologies and products for smart agriculture and new biorational products, with an eye on developing and promoting new formulations with new effects and on the changing structure of agriculture going forward.

● **Fertilizers**

The amount and rate of release of a fertilizer into the soil can be adjusted by coating the surface of the fertilizer particles with resin. The Company helps reduce environmental impact by developing coated fertilizers cloaked in resin films calibrated to degrade in soil.

● **Weedkillers for Rice Paddies**

In smart agriculture, to make operations more efficient and less labor intensive, more agricultural drones are being utilized. In the field of herbicide for rice paddies, the Company is working to expand its series of the new formulation called FG (Floating Granule), which is self-diffusing and suitable for being sprayed by drones.

FG formulation product packaging and aerial photos of drone spraying

● **Biorationals and Botanicals**

The Sumitomo Chemical Group defines biorational products as naturally-derived microbial-based crop protection products, plant growth regulators, and rhizosphere microbial materials, as well as the solutions that use them to protect crops from pests or improve the quality or yield of crops. In addition to biorationals, we vigorously work to research and develop new botanical products. In the field of biorationals and botanicals, we further accelerate the research and development of products that contribute to sustainable agriculture.

"Natural Products" Designated Symbol

Natural Products (Registered trademark of Sumitomo Chemical)

Natural Products is our brand name which is used for our naturally derived products and products that contain ingredients derived from natural products, which are offered by Sumitomo Chemical and the Group companies Sumitomo Chemical Garden Products Inc., SC Environmental Science Co., Ltd., and Sumika Technoservice Corporation.

Reflecting growing compliance with SDG initiatives and environmental awareness, low environmental impact products are increasingly becoming a requirement in all facets of pest control, encompassing everything from crop protection in farming and plant protection in gardening to insect control at home and public hygiene management. The Sumitomo Chemical Group, a leader in providing a wide range of naturally derived products, including biorational and botanical items, is carrying out unified branding activities to increase public awareness of these goods in Japan.

Target Areas of Naturally Derived Products Sold by Group Companies

Company name	Target areas of naturally derived products
Sumitomo Chemical Garden Products Inc.	Home gardening
SC Environmental Science Co., Ltd.,	Household insecticides
	Termite Control Operation
	Pest Control Operation
Sumika Technoservice Corporation	Natural enemy insects
Sumitomo Chemical Co., Ltd. (AgroSolutions Division - Japan)	Crop protection products for agriculture
Sumitomo Chemical Co., Ltd. (Environmental Health Division)	Household insecticides Termite Control Operation Pest Control Operation

Natural Products | Sumitomo Chemical Co., Ltd. (sc-natural-products.com) (Japanese only)
https://www.sc-natural-products.com

Communicating with Customers

Enhancement of Information Dissemination Tools

In 2002, Sumitomo Chemical's AgroSolutions Division-Japan launched the website i-noryoku as a means of supporting agricultural producers by providing a variety of relevant agricultural information. In addition to the website, we also provide farmers with simple and easy-to-understand product information through social media platforms like Facebook and YouTube via posts and videos.

The division established a customer support office related to Sumitomo Chemical's crop protection chemical products, fertilizers, and plant growth regulators. The division promotes business operations based on the basic stance of prompt, appropriate, and sincere service provided with an awareness of the customer's perspective and ensuring legal compliance.

Furthermore, we respond to questions about gardening. Consultants strive to closely engage with customers to ensure that they can properly and effectively use the Company's products.

Sumitomo Chemical i-nouryoku (Japanese only)
https://www.i-nouryoku.com/index.html

The YouTube channel of Sumitomo Chemical's AgroSolutions Division-Japan (Japanese only)
https://www.youtube.com/channel/UCk0GEjn4LXD7dxEf9uSfnlw

The Facebook page of Sumitomo Chemical's AgroSolutions Division-Japan (Japanese only)
https://www.facebook.com/住友化学アグロ事業部-101167691634705/

Sumitomo Chemical Garden Products Inc. is working to enhance its websites to ensure the provision of easy-to-understand information to a variety of gardeners. The YouTube channel shares content ranging from product information videos to instructions on how to prepare diluents and read registration slips, as well as Garden Doctor TV, which covers key points about growing and caring for plants and combating pests.

Sumitomo Chemical Garden Products Inc. official website (Japanese only)
https://www.sc-engei.co.jp

Sumitomo Chemical Garden Products' YouTube channel (Japanese only)
https://www.youtube.com/c/scengeich/playlists

Improvement of Usability

To enhance convenience and solve problems for customers and business partners, Sumitomo Chemical Garden Products Inc. has established and operates services based on web contents, including the Garden Doctor™ AI, which is an AI image diagnosis tool that enables customers to easily diagnose plant diseases and pests, and a service that employs the user's current location data to find the nearest store that carries specific products.

In addition, based on the diversifying needs of users who enjoy gardening, we are proactively working to create easy-to-use product designs and improved packaging that uses eco-friendly materials.

Sumitomo Chemical Garden Products' Garden Doctor™ AI (Japanese only)
https://www.sc-engei.co.jp/gardendoctor.ai

Initiative for Access to Healthcare

Sumitomo Chemical started its pharmaceuticals business as the first Japanese company to manufacture synthetic pharmaceuticals based on its advanced organic synthesis technology. Our Group company Sumitomo Pharma Co., Ltd. considers the below listed items to be part of its duty to its customers in the pharmaceutical business.

Promoting Healthcare Innovation

As a research and development-oriented pharmaceutical company with a global presence, the Sumitomo Pharma Group is striving to enhance its innovation base with new approaches to drug discovery and to deliver unparalleled clinical development. We will contribute to not only treating patients but improving the quality of life (QOL) of patients and their families by continuously developing innovative pharmaceuticals and healthcare solutions that address unmet medical needs.

BENICA X NEXT™ Spray

Sumitomo Chemical Garden Products is researching customer concerns through marketing surveys and working to develop products to solve those issues. The company developed a longer trigger for BENICA X NEXT™ Spray that is more comfortable and easier to pull even when spraying continuously.

Grass Killer Mega Long Shower GT

The company is working hard to increase the usability of Grass Killer Mega Long Shower GT by developing its bottle through cooperative research with ergonomic experts in order to lighten users' burden, especially by enabling people without much physical strength to scatter the product easily.

Targets and KPIs for Material Issues

Material Issues	Targets	KPIs	Targets of KPIs
Development of innovative products and healthcare solutions	Support the betterment of healthcare and fuller lives of people worldwide by continually creating innovative products and healthcare solutions that respond to diverse medical needs, including predictive, preventive, personalized, and patient-engaged medicine (i.e., solutions that enable optimization of the conventional therapeutic systems and radical cures), as we always stay close to patients	1. Number of products launched	**Target number of products launched from fiscal 2023 to fiscal 2027** • Psychiatry & Neurology: 7 products (including 2 regenerative medicine/cell therapy and 4 non-pharmaceutical solutions) • Oncology: 2 products • Others: 3 products (including 1 non-pharmaceutical solutions)
		2. Number of products in the development pipeline	**Number of products that have achieved phase transition from fiscal 2023 to fiscal 2027** • Phase 3 transition: 4 products • Phase 2 transition: 6 products • Start of corporate clinical studies for regenerative medicine/cell therapy: 5 products • Start of corporate clinical studies for DTx: 5 products
		3. Work motivation of research & development staff	• Use SMP Opinion*1 to maintain/increase their satisfaction*2 with work motivation

*1 Company-wide questionnaire using Qualtrics Employee XM by Qualtrics, Inc.
*2 Average score out of 5 points in the research & development departments

Sumitomo Pharma's website: New Drugs Approved
https://www.sumitomo-pharma.com/rd/pipeline_new-medicine/new_medicine.html

Fair Marketing

(Refer to section "12. Cooperation with Healthcare Professionals, etc.," "13. Sales, Marketing and Information Communication Activities" of Sumitomo Pharma's Compliance Standard for more details.)

Sumitomo Pharma's website: Compliance
https://www.sumitomo-pharma.com/profile/compliance_risk-management/compliance

Transparency in Partnerships with Patient Groups and Medical Institutions

As a member of the Japan Pharmaceutical Manufacturers Association (JPMA) which issued its Transparency Guideline for the Relation between Corporate Activities and Medical Institutions and its Transparency Guideline for the Relation between Corporate Activities and Patients' Groups, Sumitomo Pharma established its own Guidelines for Transparency in Partnerships with Medical Institutions in October 2011 and Guidelines for Transparency in Partnerships with Patients' Groups in April 2013. In accordance with these guidelines, the company publicly discloses information on its corporate website on such issues as payments that the company makes to medical institutions, healthcare professionals, patient groups and patient advocacy groups.

Our Approach to Promotional Activities for Healthcare Professionals

In compliance with the IFPMA Code of Practice, the JPMA Code of Practice, and Guidelines for Prescription Drug Marketing Information Provision issued by the Ministry of Health, Labour and Welfare, Sumitomo Pharma has drawn up the "Rules for Marketing Information Provision" and established the Department Responsible for Supervising Marketing Information Provision. The Department Responsible for Supervising Marketing Information Provision supervises and provides guidance to departments that implement detailing activities, examines and approves materials, carries out monitoring as well as education and training for officers and employees, operates a complaints desk and handles complaints.

As an advisory body to the Department Responsible for Supervising Marketing Information Provision, we have established the Review and Supervisory Committee, which is held regularly. It has an external chairperson who is completely independent of our company.

Sumitomo Pharma has drawn up internal rules for the examination of materials for use in promotional activities titled "Rules for Examination of Materials Used in Marketing Information Provision" and created an internal structure for examination and approval of such materials.

Sumitomo Pharma's website: Fair Marketing
https://www.sumitomo-pharma.com/sustainability/healthcare_innovation/fair_marketing.html

Contribution to Global Health

Sumitomo Pharma believes that working on the establishment of healthcare systems in developing countries, training and developing human resources, and educating the public will contribute not only to the realization of the SDGs, but also an increase in its presence as a global pharmaceutical company. Sumitomo Pharma has set the goal of "Contribute to the betterment of healthcare systems in countries and regions that struggle with equal access to necessary healthcare by developing healthcare professionals, raising public awareness, and making policy recommendations through collaborations with the industry, governments, and NPOs/NGOs."

Efforts for the Eradication of Malaria

Sumitomo Pharma is working on the research and development of malaria vaccines in collaboration with Ehime University and the global organization PATH, and supports initiatives for the eradication of malaria in several countries in Asia and Africa. The Company has cooperated with NPOs, local governments and communities to provide insecticide-treated mosquito nets, rapid diagnostic test kits for malaria, and educational activities in Zambia, Tanzania, and Indonesia, as well as advocacy initiatives for public awareness of malaria in Japan.

Participation in the Global Health Innovative Technology Fund (GHIT Fund)

Through participation in the GHIT Fund, Sumitomo Pharma seeks to improve access to medicines by exploring the possibility of utilizing our innovative drug discovery technologies to tackle neglected tropical diseases (NTDs), malaria, and other diseases with significant unmet medical needs.

Sumitomo Pharma's website: Contribution to Global Health

https://www.sumitomo-pharma.com/sustainability/social/contribution_to_global_health.html

Initiatives to Improve Access to Medicines

In addition to R&D efforts on innovative medicines, Sumitomo Pharma is actively working with international organizations, governments, and research institutions as well as civil society to strengthen healthcare systems and thereby improve access to medicines.

FY2023 Results

1. Further increase in health literacy of the public, including patients

- Number of public lecture participants: 5,202 (lectures related to Parkinson's disease, dementia with lewy bodies, the area of diabetes, and the area of psychiatric disorders)
- Total annual visits to the schizophrenia and bipolar disorder disease awareness website (Kokoro Share): In addition to the total number of visitors to the website, we will disclose the rate of increase or decrease in the number of visitors compared with fiscal 2022 from fiscal 2023 onward.

2. Number of products, and policy recommendations contributing to access to medicines

- Number of responses to requests for the development of unapproved and off-label uses of drugs: 1 (thiotepa)
- Number of policy recommendations: 27 (Recommendations related to access to medicines: 13; Recommendations related to infectious diseases: 14)

3. Number of partnerships contributing to improvement in healthcare access in developing countries

- Continued with the following five partnerships:
  Access Accelerated
  WELCO Lab
  PATH AMR Network
  The health support project for mothers and children in Cambodia
  Antimicrobial susceptibility surveillance study in Vietnam

Sumitomo Pharma's website: Patient Support and Advocacy

https://www.sumitomo-pharma.com/sustainability/social/advocacy

Initiatives to Improve Access to Healthcare in Developing Countries

Sumitomo Pharma supports initiatives to improve access to healthcare in developing countries. The Company has cooperated with the NPO Future Code to ensure the training and education of nurses in Bangladesh and in Haiti to provide regular medical examinations for tuberculosis as well as the training of physicians. We have also cooperated in malaria prevention and awareness raising activities, hygiene education, including the installation of toilets, and the operation of an orphanage in Burkina Faso.

Fight against Counterfeit Pharmaceuticals

To ensure the safety of and trust in its products, Sumitomo Pharma joins together with peer pharmaceuticals companies in initiatives undertaken by industrial associations and international organizations to collect and exchange up-to-date information in the fight against counterfeit pharmaceuticals.

Sumitomo Pharma's website:
Initiatives to Improve Access to Medicines

https://www.sumitomo-pharma.com/sustainability/social/improvel_access.html

Targets and KPIs for Material Issues

Material Issues	Targets	KPIs	Targets of KPIs
Improving access to medicines and advocacy	Attempt to improve access to medicines by promoting disease awareness from patient-centered perspectives, which is expected to reduce illness stigma and facilitate early treatment, and by working to lessen a drug lag, which will increase treatment options for patients. Contribute to the betterment of the healthcare system in countries/regions that struggle with equal access to necessary healthcare, by developing healthcare professionals, raising awareness of the public, and making policy recommendations through collaboration with the industry, governments, and NPOs/NGOs	1. Further increase in health literacy of the public, including patients	• Number of public lecture participants by FY2027 cumulative total of 10,000 since FY2023* • Total annual visits to schizophrenia and bipolar disorder disease awareness website (Kokoro Share) 40% increase over FY2022 by FY2027*
		2. Number of products, and policy recommendations contributing to access to medicines	• Responding to requests for development of unapproved and off-label drugs of high medical necessity* • Continued participation in policy recommendations*
		3. Number of partnerships contributing to improvement in healthcare access in developing countries	• Constantly two or more

* Targets of KPI for Sumitomo Pharma non-consolidated

Contributions to Communities

Basic Stance

The Sumitomo Chemical Group contributes to communities in accordance with the three following perspectives, which reflect the Group's Business Philosophy and the Basic Principles for Promoting Sustainability.

Community Commitment
We commit to a sustained coexistence and collaboration with local communities, utilizing our unique insights, expertise, and knowledge to address their ongoing challenges.

Personal Growth
We encourage personal development through our active engagement in the communities where we operate, fostering individual insights and growth that support our business's social value creation.

Community of Care
We aim to broaden our sphere of empathy by conveying our community involvement, contributions and insights with a cohesive voice to all stakeholders.

Regarding communication with society, while enhancing information disclosure and engaging in interactive dialogue, Sumitomo Chemical, its worksites in Japan and overseas, and Group companies engage in a variety of activities to ensure harmonious coexistence with local communities. In this way, we are building good relations with them. Sumitomo Chemical works to foster smooth communication so as to continue conducting better business activities as a community member. Going forward, while gaining the understanding and cooperation of local community members, we will proactively disseminate necessary information and, through continuous opinion exchanges with various stakeholders, foster greater understanding of the Company and earn more trust.

Note: The sections entitled "Contributions to Communities" and "Community Contribution Activities" refer to the "Social Contributions" and "Social Contribution Activities" the Group has undertaken up to now.

Management System

We are contributing to communities throughout the entire Sumitomo Chemical Group, including Sumitomo Chemical's Head Office, each worksite, and each Group company. To encourage such activities across the Group, we hold manager meetings attended by managers from each worksite, Domestic Group Company Liaison Meetings for domestic Group companies, and Regional Meetings in each region for overseas Group companies. These meetings enable attendees to share information and exchange opinions.

We are cooperating with the labor union in planning and conducting certain community contribution activities.

Goals and Results

For details on our goals and results for contributions to communities, please refer to the section entitled Social Activity Goals and Results.

P.132 Social Activity Goals and Results: Contributions to Communities

Volunteering Activity Results

FY2023 Main Community Contribution Activities at Bases in Japan (Sumitomo Chemical*1)

Type of Activity	Number of Events
Education for the next generation*2 (including science classes held at schools, children's office visits)	24
Cleaning beaches and neighborhoods around worksites	60
Worksite tours, community dialogues, hands-on work experiences	35
Hosting and participating in regional sports competitions, festivals, and other events	23

*1 Includes some Group companies in Japan
*2 Includes content related to the SDGs and sustainability

Volunteers for the OISCA Coastal Woodland Rejuvenation Project (Sumitomo Chemical Group*3)

(No. of people)

	FY2021	FY2022	FY2023
Number of volunteers for the OISCA coastal woodland rejuvenation project*4	0*5	0*5	0*5

*3 Sumitomo Chemical and Group companies in Japan participating in the Matching Gift program
*4 Volunteer activities in Natori, Miyagi Prefecture
*5 Suspended due to the pandemic

P.187 Support for Recovery from the Great East Japan Earthquake

Donation Results

When selecting organizations for donation, we take into consideration the manner in which they contribute to the development of a sustainable society as well as the effects of their actions from the perspectives of social significance, resonance with the Company's business, global and local opinions, and if the issue they are addressing is long term or of immediate urgency.

FY2023 Major Donations to Community Contribution Activities (Sumitomo Chemical)

(Million yen)

Item	Amount
Support for the 2024 Noto Peninsula Earthquake*1	19.8
Support for education in Africa (Plastic Recycling Education)	1.4
Support for the development and education of children through ASHINAGA (Matching Gift program*2)	7.5
Support for OISCA's tree planting activities (Matching Gift program*2)	6.3
TABLE FOR TWO (Matching Gift program*2)	0.6

*1 Total sum of donations from executives and employees
*2 Donation figures for Matching Gift programs are the amount of money provided by the Company.

Number of Major Donations in FY2023 (Sumitomo Chemical)

Total number of donations: 310

Item	Number of cases
Local community activities	139
International exchange and cooperation	17
Sports	9
Academic study and research	9
Culture and art	11
Education and social education	25
Social welfare	12
Environment	11
Support to areas devastated by disasters	5
Others (Health, medicine, Accident prevention, politics*3, etc.)	72

*3 Sumitomo Chemical appropriately and fairly makes donations to political organizations, taking into comprehensive consideration the cost burden of social responsibilities that a company should fulfill as a member of society and its duty to help stimulate economies and support society as well as significance to the Company's business. We make these donations in compliance with relevant laws and regulations and through a process defined in our in-house rules. (FY2023 Results: The People's Political Association 50 million yen)

Community Contribution Activities at Group Companies in Japan and Overseas

At Group companies in Japan and overseas, we emphasize community bonds and contributions at each business location and proactively conduct community contribution activities as a part of our broadly defined CSR activities, including creating shared value by leveraging the unique characteristics of each company.

In fiscal 2023, we conducted more than 500 social contribution activities, including activities aimed at contributing to local communities and activities aimed at enhancing employee awareness through donations and fund raising.

The Sumitomo Chemical Group will continue to work toward helping solve social issues, educating employees, and providing integrated communication mainly through community contributions in collaboration with the Company's worksites, initiatives promoted by the entire Group in unison, and promoting education for citizens and the broader society while respecting the individuality of employees.

Community Contribution Activities at Group Companies in Japan and Overseas

FY2023 Results

Approx. **500** activities

Guest lecture conducted at a nearby university (Group company in Japan)

Clean-up activity around the United Nations HQ (Group company overseas)

Examples of Initiatives

Examples of Initiatives (The Sumitomo Chemical Group)

Securing Safety and Health, and Protecting the Environment

- Work and research laboratory tours
- RC dialogues and distribution of local newsletters
- Malaria prevention campaign
- TABLE FOR TWO program
- Matching Gift program (support for tree-planting activities)
- Cooperation with U.N. activities
- Support for infection control measures
- Local clean-up activities

Raising Children Who Will Lead the Next Generation

- Establishment of in-house childcare facilities
- Launch of Young Inventors' Club, Science Workshops, etc.
- Sponsorship of community sports events
- Cooperation on civic and university courses
- Acceptance of student interns
- Matching Gift program (educational and developmental support for children)
- Educational support in Africa
- University scholarship programs

Assisting in Natural Disaster Relief

- Relief activities after typhoons, earthquakes, and other disasters
  Offering facilities for public use after major disasters
- Relief donations for victims of hurricanes, earthquakes, etc.

Securing Safety and Health, and Protecting the Environment

Initiatives to Ensure Safety at All Group Workplaces

The Sumitomo Chemical Group explains to neighboring residents our efforts to ensure safety, and work to deepen our mutual understanding. Specifically, every year, all worksites create and publish their own environmental and safety reports, detailing the initiatives taken at each worksite. The Ehime, Osaka, and Oita worksites disseminate information that is especially relevant to their communities by, for example, publishing community newsletters that are inserted into newspapers. Moreover, we proactively cultivate diverse two-way dialogue from a wide range of perspectives. Our activities include regular dialogue meetings, opinion exchanges, and Works tours held with local community members, conducting risk communication model businesses in cooperation with municipalities, conducting support businesses focused on the environment and safety for local governments and companies, and holding community dialogues in collaboration with the chemical industry.

Status of Dialogues with Local Communities

FY2023 Results*

Number of dialogues held	Participants
8	249

* Cumulative result of each Sumitomo Chemical worksite

Report on the Environment and Safety (at all worksites) (Japanese only)
https://www.sumitomo-chem.co.jp/sustainability/information/library/

Clean-up Activity: Global Clean-up Challenge

The Sumitomo Chemical Group helps solve the plastic waste problem through clean-up activities at each worksite and their neighboring communities, beaches, and other areas.

It is said that one of the sources of increasing marine waste, including plastic waste, is garbage left outside and waste thrown away that will enter waterways due to wind and rain then flow out to sea. The clean-up activities we can do at nearby locations are connected to countermeasures against the marine waste problem.

The Group will continue promoting a clean-up initiative called the "Global Clean-up Challenge" with the aim of understanding and addressing the plastic waste problem.

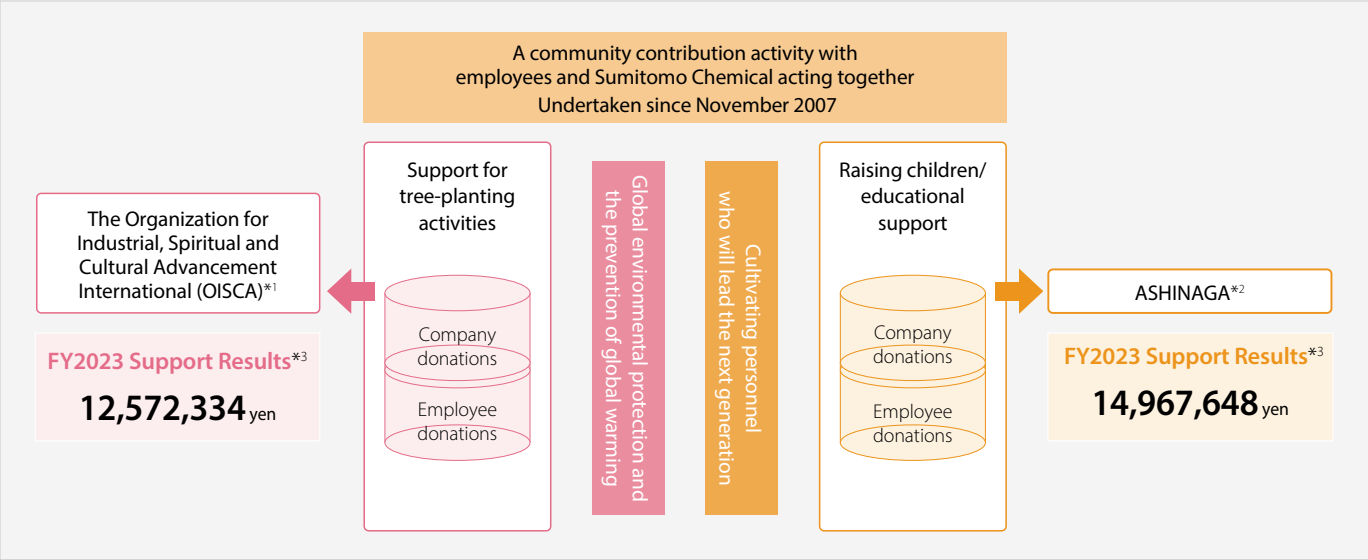
Clean-up at the Arakawa riverbed

Matching Gift Program

As a community contribution activity with employees and the Sumitomo Chemical Group acting together since 2007, the Matching Gift program, which is run in collaboration with the labor union, collects donations from management executives and employees working at Sumitomo Chemical and Group companies. Sumitomo Chemical then matches their donations.

One of the beneficiaries of the donations from the Matching Gift program is the Organization for Industrial, Spiritual and Cultural Advancement International (OISCA),*1 with whom we work on various tree-planting projects. In collaboration with the labor union, we have been dispatching employee volunteers to help with these projects since 2008.

■ Matching Gift Program



*1 The Organization for Industrial, Spiritual and Cultural Advancement International (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 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.

*3 Total sums after matching by the Company, donations from executives and employees, and company payments

TABLE FOR TWO Activities

Since May 2008, each of Sumitomo Chemical's worksites has participated in the TABLE FOR TWO (TFT) initiative. Participating companies in this Matching Gift program donate an amount of money equal to the total donated by management executives and employees.

When employees choose to eat any of the healthy TFT menu options available at the Company's cafeterias, 20 yen per meal is donated to help fight starvation in developing countries as well as obesity and lifestyle diseases in advanced nations. Through these types of social contribution activities originating in Japan, we are working to eliminate food disparity.

For the Company's support in 2023, Sumitomo Chemical received a letter of appreciation as a Platinum Partner from the TABLE FOR TWO secretariat.

2023 Results*3

1,109,240 yen **27,731** meals


感 謝 状
プラチナパートナー
住友化学株式会社様
皆さまからお寄せいただいた TABLE FOR TWO へのご支援により、飢餓や栄養不足にさらされているアフリカ、アジアの多くの子どもたちに、温かい食事と未来への希望を届ける事ができました。
継続的な力強いご支援・ご協力に心より感謝申し上げます。
2024年3月
特定非営利活動法人 TABLE FOR TWO International
代表理事 小 暮 真 久

Raising Children Who Will Lead the Next Generation

Supporting Education through Science Workshops

The Sumitomo Chemical Group holds science workshops for children to conduct experiments and make crafts. These workshops enable 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 the products all around them are linked to chemicals.

These science workshops are held during tours of plants and research laboratories and through class visits, including at schools near worksites and at summer vacation events sponsored by local municipalities.

Misawa Works also engages in school visits, mainly for fifth and sixth grade classes at nearby elementary schools. Employees visit schools as lecturers and, after introducing the operations and products of the Works, conduct fascinating chemical experiments closely with students, such as one that uses a water-absorbent polymer to create a cup that does not spill water. The children were dazzled by the experiments and provided such feedback as, "chemistry is fascinating and fun."

A class visit

Platform for Learning Innovation - Japan

Sumitomo Chemical is a regular member of the Platform for Learning Innovation - Japan (PLIJ). PLIJ is an organization that collaborates with key players in industry, academia (technical colleges and universities), government (national agencies and research institutions), municipalities, and education (high school educators) with the main aim of spurring innovation in elementary and secondary education, mainly in STEAM (science, technology, engineering, arts, and mathematics) areas.

In fiscal 2023, the Company participated in an event hosted by PLIJ for female middle and high school students in which female corporate employees spoke about opportunities for advancement for women and their working experience. A female researcher from Sumitomo Chemical talked about how she built her career in a chemical company and why it is an attractive opportunity, demonstrating this is a potential future career option.

PLIJ's website (Japanese only)

https://plij.or.jp

14th Eco Proverb Contest

As an Eco-First Company certified by Japan's Ministry of the Environment and as a participating company in the Eco-First Promotion Council,* Sumitomo Chemical is a cosponsor of the Eco Proverb Contest.

In fiscal 2023, the theme was "Let's think about what we can do now for our future selves: Aiming to keep the Earth beautiful in 2050" The council collected self-written proverbs created by elementary and middle school students across Japan. As one of the companies that provide corporate awards, Sumitomo Chemical selected the following work that embodies its vision aiming to solve the waste problem, including waste plastics, for the Sumitomo Chemical Award in FY2023

On the day of the award ceremony, SYNERGYCA presented a way to have a fun learning experience about resource recycling while playing a puzzle designed to look like a molecule and offered a virtual-reality tour of manufacturing frontlines..

* This council comprises 56 Eco-First Companies certified by the Minister of the Environment as the best in their industry regarding environmental conservation. Each participating company collaborate across industries to promote environmental conservation activities.

Sumitomo Chemical Award

リサイクル　未来へわたる　バトンだよ

Recycling is a baton passed to the future

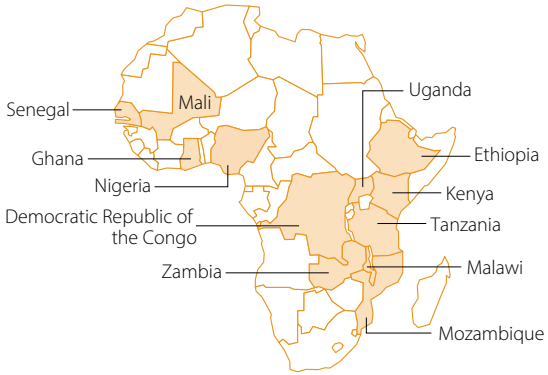
(The English text is a translation of the original Japanese composition above)

Kentaro Seki
2nd grader at Tsukuba City Kaname Elementary in Ibaraki Prefecture
(as of receiving the award in 2023)

Support for Education in Africa

Sumitomo Chemical has been supporting education to support children, on whom Africa's future rests, since fiscal 2005. At first, we mainly supported the construction of schools, but, after studying how to best offer support as a chemicals company, we branched out into supporting female students and programs in science as well as ICT-related education.

■ Support for Education in Africa



Support Results

Beneficiaries: over **68,000** people

Supported countries: 12 (33 projects completed)

Supporting Plastic Recycling Education in Nigeria

Since fiscal 2020, the Company has supported an initiative in Nigeria that contributes to resource recycling, which is one of the material issues to be addressed as management priorities. Sumitomo Chemical has been contributing to the Clean Our World (COW) Project, which is run by the Nigeria-based Oando Foundation with the aim of raising awareness of plastic recycling.

Over 32 million tons of garbage are generated in Nigeria every year, and more than 30% of that is classified as plastics. Currently, most of the plastic is not properly disposed of. It sometimes clogs pipes, causing flooding, and is also washed into the ocean via West Africa's main waterway, the Niger River. To resolve this situation, the Oando Foundation established the COW Project in 2020. Through this project, we provide opportunities for elementary school children, those who will lead the future, to learn about the plastic waste problem and recycling, conduct local clean-up activities, and share out experience in collecting waste and processing it into daily commodities. A portion of the around 11 tons of plastic waste collected through this initiative was converted into school supplies and other products and given to children.

Going forward, Sumitomo Chemical will continue working to improve the educational environment as an important social contribution activity and actively promote initiatives aimed at resolving social issues on a global scale.


Sorting out collected plastic bottles

Syllabus adopted by public schools in Lagos

■ Support Results

Country	Collaborator	Support details
Tanzania	WVJ*1	Between 2005 and 2007, we built elementary schools, teacher housing, and other structures. In 2014, we built elementary schools and restrooms.
Kenya	WVJ*1	In 2005 and 2006, we built girls' dormitories, restrooms and other structures for elementary schools. In 2015, we built elementary schools and provided math and science teaching materials.
Zambia	WVJ*1	Between 2005 and 2007, we built middle schools, restrooms, teacher housing, and other structures.
Uganda	WVJ*1	In 2006, we built elementary schools, restrooms, and other structures. Between 2008 and 2011, we built schools, restrooms, and other structures. In 2019 and 2020, we built classrooms for elementary schools and raised awareness of malaria prevention techniques.
Ethiopia	WVJ*1	In 2007, we built elementary schools, middle schools, restrooms, and other structures. In 2013, we built elementary schools, restrooms, water storage tanks, and other structures.
Mali	PIJ*2	Between 2010 and 2012, we built elementary schools, restrooms, wells, and other structures.
Ghana	PIJ*2	Between 2010 and 2012, we built elementary schools, libraries, and other structures. In 2015 and 2016, we built technical schools, science laboratories, and other structures. In 2019 and 2020, we built technical high schools, science laboratories, and other structures, provided teaching materials, and provided training to teachers.
Malawi	WVJ*1	Between 2010 and 2012, we built elementary schools and other structures. In 2013, we built elementary schools, restrooms, and other structures.
Democratic Republic of the Congo	WVJ*1	In 2012 and 2013, we built elementary schools, restrooms, and other structures. Between 2016 and 2019, we built elementary schools, restrooms, and other structures, provided math and science teaching materials, provided training to teachers, and raised awareness of malaria prevention techniques.
Mozambique	PIJ*2	In 2012 and 2013, we built elementary schools, restrooms, and other structures.
Senegal	PIJ*2	In 2014 and 2015, we built elementary schools, restrooms, and other structures and provided training to school management committees. Between 2016 and 2019, we built middle schools, high schools, and restrooms, set up science laboratories, and enhanced science courses for girls.
Nigeria	Oando*3	Between 2017 and 2020, we set up ICT centers, provided computer peripheral equipment, and provided science, technology, engineering, and math (STEM) education. Between 2020 and 2023, we carried out clean-up activities, education related to plastic waste and recycling, and waste collection ("Clean Our World" (COW)*4 I project to COW*4 Ⅲ project).

*1 WVJ: World Vision Japan
*2 PIJ: Plan International Japan
*3 Oando: The Oando Foundation of the Federal Republic of Nigeria
*4 A project established by the Oando Foundation that aims to raise awareness of plastic recycling

Assisting in Natural Disaster Relief

Support for the 2024 Noto Peninsula Earthquake

As support for the Noto peninsula earthquake in January 2024, Sumitomo Chemical donated ¥15 million through the Red Cross of Japan along with ¥4,776,500 from its executives and employees. In addition, in response to requests related to the Uru-Uru Relief Package from the Japan Business Federation's 1% Club, we donated stationery (Sumika-chan clear files) for elementary school students in affected areas, and six employees volunteered to pack up the stationery.

Support for Recovery from the Great East Japan Earthquake

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. We further expanded our efforts after joining the SANRIKU JOBAN MONO NETWORK in January 2023 in part by changing the name of our menu to the Sanriku Joban Support Menu and increasing the number of mealy provided at the Tokyo Head Office. 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.

Since fiscal 2015, we have dispatched employee volunteers to the area to provide black pine saplings, plant trees, and weed and fertilize areas where trees have been planted with the aim of rejuvenating about 100 hectares of coastal woodland. These activities were suspended in fiscal 2023 in continuation from the previous fiscal year, however, to prevent the spread of COVID-19. We have already achieved our planting goal, and, going forward, we will continue to help manage the planted black pines on a voluntary basis.

Tokyo Head Office Held the Fukushima Market and Exhibition

Along with Sumitomo Pharma Co., Ltd., which is also based in the Nihonbashi Tower Building, and with the cooperation of Sumika Partners Co., Ltd., we co-hosted the Fukushima Market and Exhibition on March 26, 2024, in the cafeteria of our Tokyo Head Office. The market sold not only products from Fukushima Prefecture but also bento boxes from the SANRIKU JOBAN MONO NETWORK. Over 400 people visited the event, including the company presidents, and 1,232 products were sold for a total profit of ¥694,170. The day was an opportunity to raise awareness of the earthquake recovery while enjoying the wonderful products of Fukushima.


The exhibition

FY2023 Results

Disaster Hit Area Support Meals

628,120 yen **15,703** meals

(Total sums after matching by the Company)

The Great East Japan Earthquake Fukushima Children's Fund (the portion used between April 2023 and September 2023)	262,400 yen	6,560 meals
The Great East Japan Earthquake Iwate Learning Hope Fund (the portion used between October 2023 and March 2024)	365,720 yen	9,143 meals

Community Contribution

https://www.sumitomo-chem.co.jp/english/sustainability/social_contributions

Community Contribution Activities through the Sumitomo Foundation

The Sumitomo Foundation was founded as a multi-purpose foundation in September 1991 by 20 Sumitomo Group companies, including Sumitomo Chemical, in commemoration of the 300-year anniversary of the opening of the Besshi Copper Mine, which is the foundation of the Sumitomo Group. With a fund comprising the managed profit of the foundation's assets, the Sumitomo Fund provides aid for basic scientific research, environmental research, cultural asset maintenance and repair work, overseas cultural asset maintenance and repair work, and Japan-related research in Asian countries.

Aid Results

FY2023 Results*

257 initiatives Aid amount **409** million yen

* Total sum of the Sumitomo Foundation

★: Assured by an independent assurance provider

Social Activities: Supplementary Data

1 Human Resources

Basic Data

■ Number of Employees, Average Age, Length of Service, Average Compensation

Item		FY2021	FY2022	FY2023
Number of employees (Sumitomo Chemical Group)	Total	34,703	33,572	32,161 ★
	Male	25,582	24,869	24,126 ★
	Female	9,121	8,703	8,035 ★
	Percentage of female employees (%)	26.3	25.9	25.0
Sumitomo Chemical	Total	6,488	6,637	6,706 ★
	Male	5,464	5,607	5,653 ★
	Female	1,024	1,030	1,053 ★
	Percentage of female employees (%)	15.8	15.5	15.7
Consolidated in Japan	Total	12,242	11,819	11,459 ★
	Male	9,373	9,002	8,690 ★
	Female	2,869	2,817	2,769 ★
	Percentage of female employees (%)	23.4	23.8	24.2
Consolidated overseas	Total	15,973	15,116	13,996 ★
	Male	10,745	10,260	9,783 ★
	Female	5,228	4,856	4,213 ★
	Percentage of female employees (%)	32.7	32.1	30.1
Number of non-Japanese employees (Sumitomo Chemical)		71	69	67
Average age (Sumitomo Chemical)		41.2	41.5	41.6
	Male	41.5	41.8	41.9
	Female	39.9	39.9	39.8
Average length of service (years; Sumitomo Chemical)		15.4	15.5	15.7
	Male	15.6	15.7	16.0
	Female	14.0	14.1	14.1
Average annual compensation (yen; Sumitomo Chemical)		8,835,658	9,108,009	8,424,481
Average monthly wages (yen; Sumitomo Chemical)		332,434	338,942	352,344
	Male	333,912	340,392	354,149
	Female	326,164	332,686	344,634

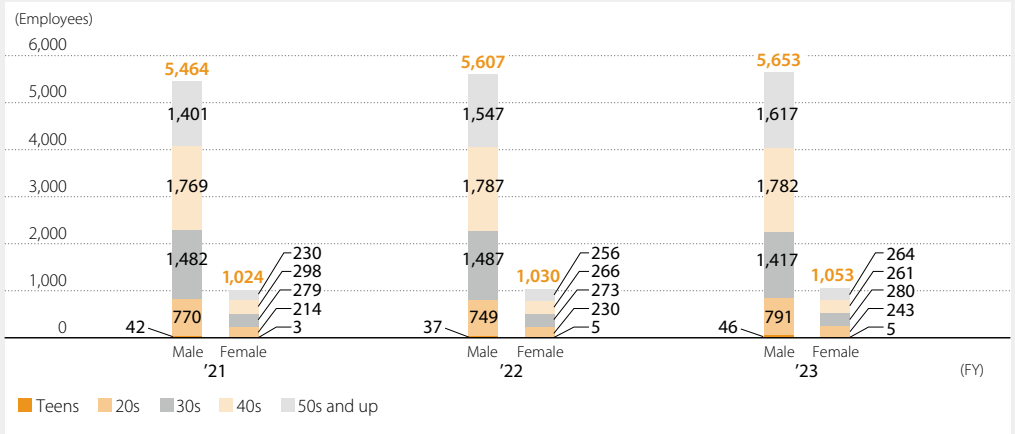
Notes: • The above figures are as of March 31 for each fiscal year. Employee numbers do not include temporary employees, part-time staff, dispatch employees, and staff assigned to other companies not included in the scope of consolidation, but do include staff assigned from other companies not included in the scope of consolidation.
• Average monthly wages are for non-managerial employees (as of August of each year). Compensation is the same for the same work and the overall difference in compensation between men and women is entirely attributable to differences in age and rank.

■ Number of Employees by Region and Gender (Sumitomo Chemical Group)

Region		FY2021	FY2022	FY2023
Japan	Total	18,729	18,455	18,164
	Male	14,836	14,608	14,342
	Female	3,893	3,847	3,822
(The rest of) Asia	Total	10,602	9,992	9,857
	Male	7,650	7,288	7,232
	Female	2,952	2,704	2,625
North America	Total	3,676	3,349	2,271
	Male	1,905	1,739	1,272
	Female	1,771	1,610	999
Central and South America	Total	942	991	1,045
	Male	680	704	730
	Female	262	287	315
Europe	Total	575	586	626
	Male	384	381	407
	Female	191	205	219
Middle East and Africa	Total	77	78	75
	Male	55	61	57
	Female	22	17	18
Oceania	Total	102	121	123
	Male	72	88	86
	Female	30	33	37
Total		34,703	33,572	32,161

Note: As of March 31 for each fiscal year

Employee Age Composition and Distribution (Sumitomo Chemical)



Number and Percentage of People Who Left the Company (Sumitomo Chemical)

	FY2021			FY2022			FY2023		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Retired early	90	71	19	130	93	37	151	122	29
Early retirement rate (%)	1.4	1.3	1.9	2.0	1.7	3.6	2.3	2.2	2.8

Retention of New Graduate Hires (Sumitomo Chemical)

	Male	Female
New graduate hires in April 2021	153	39
Number of those remaining as of April 2024	138	32
Retention rate of new graduates after three years (%)	90	82

Number of New Graduate and Mid-career Hires, Percentage of Mid-career Hires (Sumitomo Chemical)

Results		FY2021	FY2022	FY2023
New graduate hires	Male	153	148	207
	Female	39	49	63
	Total	192	197	270
Mid-career hires	Male	66	70	42
	Female	7	14	3
	Total	73	84	45
Percentage of mid-career hires (%)	Total	27.5	29.9	14.3

Number of Internships (Sumitomo Chemical)

Results	FY2021	FY2022	FY2023
University students in Japan	196	129	115
University students overseas	0	0	0

Promotion of DE&I

Promotions of Employees (Sumitomo Chemical) As of March 31, 2024

	Female	Male	Non-Japanese	Percentage of Female (%)
Managerial employees*	182	1,748	5	9.4
(Those ranked general manager or above)	9	432	2	2.0
Directors and senior management	4	43	2	8.5
(Those ranked executive officer or above)	3	34	2	8.1

* All employees equivalent to managers or above

Number of Managers and General Employees, Percentage of Female Employees (Sumitomo Chemical Group)

		FY2021	FY2022	FY2023
Managers	Male	9,242	8,914	8,404
	Female	2,604	2,420	2,086
	Total	11,846	11,334	10,490
	Percentage of female managers (%)	22.0	21.4	19.9
General employees	Male	16,340	15,955	15,722
	Female	6,517	6,283	5,949
	Total	22,857	22,238	21,671
	Percentage of female managers (%)	28.5	28.3	27.5
Total		34,703	33,572	32,161

Note: As of March 31 for each fiscal year

Promotion of Work-Life Balance

Percentage of Paid Vacation Days Used (Sumitomo Chemical)

	FY2021	FY2022	FY2023
Number of days of paid vacation provided	20.0	20.0	20.0
Number of days of paid vacation used	15.2	16.4	16.8
Percentage of paid vacation days used (%)	76.2	82.2	84.0

Average Overtime Work (Sumitomo Chemical)

(Hours/Month)

	FY2021	FY2022	FY2023
Average overtime hours	21.5	20.9	19.4

Return Rate of Employees Who Take Extended Leave for Childcare (Sumitomo Chemical)

(%)

	FY2021		FY2022		FY2023	
	Male	Female	Male	Female	Male	Female
Of employees who finished childcare leave within the fiscal year, percentage of employees who returned to work	100.0	99.0	100.0	98.6	100.0	100.0

Leave for Volunteer Work and Number of Employees Using Leave for Volunteer Work (Sumitomo Chemical)

	System in place	FY2021	FY2022	FY2023
Vacations for volunteering	Yes	4	5	14

Healthcare

Presenteeism (Sumitomo Chemical)

(%)

	FY2021	FY2022	FY2023
Presenteeism*	83	83	82

* Calculated using the level of activity (productivity) related to work results, quality, and volume

Absenteeism (Sumitomo Chemical)

(%)

	FY2021	FY2022	FY2023
Absenteeism*	—	1.4	1.3

* Percentage of employees using one month of more of leave for illness or who are absent from work due to illness

Expenses for Promoting Health and Productivity Management Measures (Sumitomo Chemical)

(Thousands of yen)

	FY2021	FY2022	FY2023
Expenses for promoting health and productivity management measures	11,250	11,250	11,250

Stress Check: Total Health Risks (Sumitomo Chemical)

	FY2021	FY2022	FY2023
Stress check: total health risks*	96	96	96

* Calculated from stress check results. Total health risks are set at 100 for the national average, and the higher the number is, the higher the employee health risks are.

Female Health Seminar (Sumitomo Chemical)

FY2023

Number of Participants: **206**

Satisfaction Rate: **94**%

2 Occupational Safety and Health / Industrial Safety and Disaster Prevention

Occupational Safety and Health Management System*

Five of the Company's plants acquired certification for the international standard ISO 45001, which is for occupational safety and health management systems, and are conducting operations accordingly. Two of the plants simultaneously acquired JISQ 45100, which added requirements related mainly to daily safety and health activities to ISO 45001 (JISQ 45001), from the Japan Industrial Safety and Health Association (JISHA). We are making preparations toward acquiring certification for ISO 45001 as well as JISQ 45100 at the remaining plants.

By fiscal 2009, Sumitomo Chemical had acquired OSHMS certification from JISHA at all of its Works and Research Laboratories. The Research Laboratories have since switched to independent operations, and the Works are working to switch to ISO 45001 certification. Currently 1 Works (4 facilities) maintains JISHA certification. (JISHA's OSHMS includes the same requirements as OHSAS 18001.)

As the Group is working toward acquiring ISO 45001 certification, for the certifications acquired, it is continually undergoing transition audits and registering for certification under the latest standards to ensure there is no interruption.

Note: The scope of the survey includes Sumitomo Chemical's manufacturing sites and the production plants of major consolidated subsidiaries (22 companies in Japan and 33 companies overseas).
Further details are provided on page P081.

* Applicable scope of the Occupational Safety and Health Management System: Employees who work at either the Company's or the Group's Works and Research Laboratories (including temporary, part-time, and dispatch employees)

JISHA's Official Websites

Japanese: https://www.jisha.or.jp/about/index.html

English: https://www.jisha.or.jp/english/index.html

Acquisition of ISO 45001 and JISQ 45100 Certification

1. Sumitomo Chemical

Facilities	Certificate Number	Certification Date
Osaka Works	ISO 45001: JISHA-O-31	April 2020
Osaka Works	JISQ 45100: JISHA-31	April 2020
Chiba Works	ISO 45001: JISHA-O-61	June 2021
Chiba Works	JISQ 45100: JISHA-61	June 2021
Misawa Works	ISO 45001: JQA-OH0346	July 2021
Ehime Works	ISO 45001: JCQA-O-0102	September 2021
Ohe Works	ISO 45001: JCQA-O-0106	February 2022

2. Group Companies In Japan

Facilities	Certificate Number	Certification Expiration Date
Sumika Assembly Techno Co., Ltd.	JCQA-O-0106	February 2025

3. Overseas Group Companies

Companies	Certificate Number	Certification Expiration Date
Bara Chemical Co., Ltd.	24131411002	November 2025
The Polyolefin Company (Singapore) Pte. Ltd.	OHS-45001-2021-0281	April 2025
Sumitomo Chemical Asia Pte Ltd (S-SBR plant)	SCS 102718OI	August 2024
Xuyou Electronic Materials (Wuxi) Co., Ltd.	00223S24858R1M	December 2026
Sumika Electronic Materials (Changzhou) Co., Ltd.	CN20/10229	May 2026
Sumika Electronic Materials (Chongqing) Co., Ltd.	CN19/21790	December 2024
Sumika Electronic Materials (Hefei) Co., Ltd.	268259-2018-ASA-RGC-RvA	August 2024
Sumika Electronic Materials (Wuxi) Co., Ltd.	243940-2017-ASA-RGC-RvA	August 2026
Sumika Electronic Materials (Xi'an) Co., Ltd.	CN20/10076	August 2024
Sumika Huabei Electronic Materials (Beijing) Co., Ltd.	19921S00870R1M	January 2025
Dalian Sumika Chemphy Chemical Co., Ltd.	02123S10334R2S	February 2026
Sumika Technology Co., Ltd.	OHS510533	December 2024
Dongwoo Fine-Chem (Pyeongtaek) Co., Ltd.	SAC-0600401	July 2024
Dongwoo Fine-Chem (Samki) Co., Ltd.	KR20/81826441	August 2025
Dongwoo Fine-Chem (Iksan) Co., Ltd.	KR20/81826415	July 2026
SSLM Co., Ltd.	SAC-0958701	May 2026
Sumitomo Chemical India Limited (Bhavnaga plant)	99 117 00757/02	October 2024
Sumitomo Chemical India Limited (Gajod plant)	99 117 00757/03	October 2024
Sumitomo Chemical India Limited (Silvassa plant)	99 117 00757/04	October 2024
Sumitomo Chemical Advanced Technologies LLC	241505-2017-AHSO-USA-ANAB	June 2026

Note: the above list is based on the survey results as of February 2024

Acquisition of JISHA's OSHMS Certification (Sumitomo Chemical)

Facilities	Certificate Number	Certification Date
Oita Works	06-44-1	July 2006
Oita Works (Utajima)	09-27-14	January 2009
Oita Works (Gifu Plant)	09-21-6	February 2009
Oita Works (Okayama Plant)	09-33-7	February 2009

Voluntary Safety Management of High-Pressure Gas Based on Certification by the Minister

Sumitomo Chemical continually renews the Accreditation of Completion and Safety Inspection, as stipulated in the High Pressure Gas Safety Act, for the Ehime Works and the Chiba Works. Certification is given to facilities that have achieved excellent safety, management, and technological levels and that are recognized as having met legally mandated requirements for safety management systems. Certified plants are allowed to conduct Completion Inspections and Safety Inspections of their own facilities in place of national, prefectural, and other governmental organizations.

Chiba Works acquired certification as a specified operator (commonly known as a super certified works) with its certification renewal in May 2024. This certification is provided to works certified by the Ministry of the Economy, Trade and Industry (METI) as a certified operator undertaking such sophisticated security measures as assessments of safety assurance capabilities using third parties, advanced risk assessments, big data, and IoT. Specified operators can receive various incentives.

METI's website

https://www.meti.go.jp/english/policy/safety_security/industrial_safety/index.html#high_pressure_gas

Number of Accreditations of Completion and Safety Inspection Given for Sumitomo Chemical Facilities and Specified Operators

Works	Area	Year of certification	Year and month renewed	Number of facilities given accreditation
Ehime Works	Niihama	2002	March 2023	13
	Kikumoto	2002	March 2023	4
Chiba Works (acquired certification as a specified operator)	Anesaki	1987	May 2024	8
	Sodegaura	1987	May 2024	13

Note: Number of facilities given accreditation data as of the time of certification renewal.

Criteria and Results of the President's Safety Award for Zero-Lost Workday Operations (as of May 31, 2024)

Sumitomo Chemical has set facility specific criteria for the achievement of continuous periods of zero-lost workday operations for employees as well as contractors. The President's Safety Award is presented to facilities in recognition of their satisfaction of the above-mentioned criteria.

Sumitomo Chemical Employees (Works, Research Laboratories)

Facilities	Criteria for the President's Safety Award*1	Results
Ehime Works	3 million hours	A lost workday accident occurred in June 2023. Working to reach the target of 3 million hours.
Ohe Works*2	3 million hours	Working to reach the target of 12 million work hours.
Chiba Works	3 million hours	A lost workday accident occurred in June 2023. Working to reach the target of 3 million hours.
Osaka Works	3 million hours	A lost workday accident occurred in February 2023. Working to reach the target of 3 million hours.
Oita Works*3	3 million hours	A lost workday accident occurred in January 2023. Working to reach the target of 3 million hours.
Ibaraki Works	120 months	Working to reach the target of 120 months.
Misawa Works	30 months	Working to reach the target of 60 months.
Health & Crop Sciences Research Laboratory	30 months	Working to reach the target of 90 months.
Tsukuba Regional Research Laboratory*4	30 months	Working to reach the target of 420 months.

Contractors / Affiliated Company Employees of Sumitomo Chemical (Works, Research Laboratories)

Facilities	Criteria for the President's Safety Award*1	Results
Ehime Association (Plant maintenance)	24 months	A lost workday accident occurred in September 2023. Working to reach the target of 24 months.
Ehime Logistics Association (Logistics)	24 months	Working to reach the target of 72 months.
Ohe Association (Plant maintenance)	48 months	Working to reach the target of 192 months.
Ohe Logistics Association (Logistics)	48 months	Working to reach the target of 192 months.
Chiba Association (Plant maintenance)	24 months	A lost workday accident occurred in February 2023. Working to reach the target of 24 months.
Chiba Logistics Association (Logistics)	24 months	A lost workday accident occurred in November 2023. Working to reach the target of 24 months.
Osaka Association	24 months	Working to reach the target of 48 months.
Oita Association (Plant maintenance)	24 months	Working to reach the target of 168 months.
Oita Association (Logistics)	24 months	Working to reach the target of 168 months.
Okayama Association	48 months	A lost workday accident occurred in November 2020. Working to reach the target of 48 months.
Gifu Association	48 months	Working to reach the target of 192 months.
Misawa Works	48 months	Working to reach the target of 96 months.
Health & Crop Sciences Research Laboratory	48 months	Working to reach the target of 336 months.
Tsukuba Regional Research Laboratory*4	48 months	Working to reach the target of 192 months.

*1 Continuous periods of zero-lost workday operations.
*2 Ohe Works includes Sumika Assembly Techno Co., Ltd.
*3 Oita Works includes the Utajima Pilot Production Department, Gifu Plant, and Okayama Plant.
*4 The Tsukuba Regional Research Laboratory was reorganized into the Advanced Materials Development Research Laboratory (Tsukuba) and Energy & Functional Materials Research Laboratory (Tsukuba).

Safety Achievements

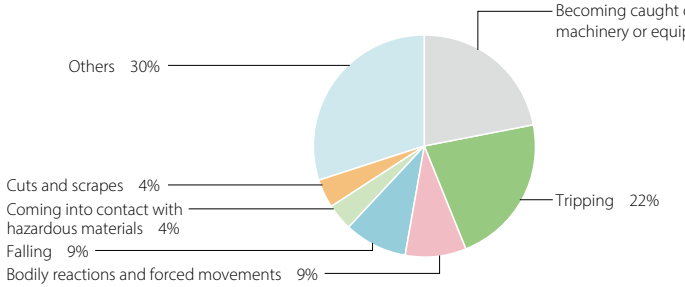
Lost-Workday Injuries (Sumitomo Chemical Group*)

		FY2020	FY2021	FY2022	FY2023
Number of injuries (including fatalities)	Sumitomo Chemical	2	1	2	3
	Sumitomo Chemical contractors (including others)	5	6	6	4
	Domestic consolidated subsidiaries	17	11	16	8
	Overseas consolidated subsidiaries	16	8	20	8
	Total	40	26	44	23
Frequency rate of lost-workday injuries	Sumitomo Chemical	0.13	0.06	0.12	0.18
	Sumitomo Chemical contractors (including others)	0.52	0.60	0.63	0.42
	Domestic consolidated subsidiaries	0.66	0.40	0.60	0.31
	Overseas consolidated subsidiaries	0.45	0.22	0.57	0.25
	The Sumitomo Chemical Group*	0.46	0.29	0.50	0.27
Number of fatal accidents	Sumitomo Chemical and consolidated Group companies in Japan and overseas	0	0	0	0
	Sumitomo Chemical contractors (including others)	0	1	1	1
	Total	0	1	1	1

Note: If the result is not 0, a domestic/overseas breakdown is provided.

* Sumitomo Chemical (including its partner companies and others) and consolidated Group companies in Japan and overseas.

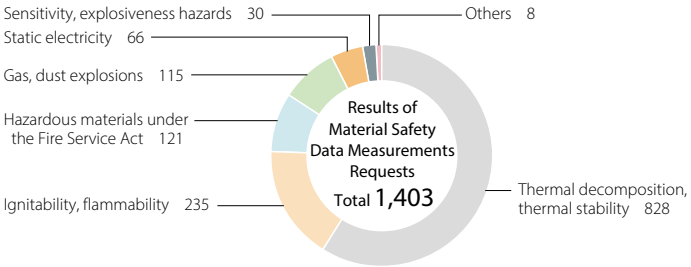
FY2023 Breakdown of Causes of Injury by Type (Sumitomo Chemical Group*)



* Sumitomo Chemical (including its partner companies and others) and consolidated Group companies in Japan and overseas.

Industrial Safety and Disaster Prevention Results

FY2023 Results of Material Safety Data Measurements Requests (Sumitomo Chemical Group*)



* Sumitomo Chemical (including its partner companies and others) and consolidated Group companies in Japan and overseas.

The Safety Engineering Group at the Production & Safety Fundamental Technology Center studies and assesses process safety, researches safety measures, measures and evaluates material safety data, compiles a database on safety technologies, and undertakes training for safety engineers in its efforts to enhance process safety management and to prevent accidents such as fires and explosions. In fiscal 2023, 1,340 material safety data measurements were taken from within Sumitomo Chemical (1,460 in fiscal 2022) and 63 measurements were taken from Group companies (61 in fiscal 2022) for a total of 1,403 (1,521 in fiscal 2022).

The Launch of Several Process Safety Review Committees (Sumitomo Chemical)

	R&D stages		Industrialization stage		
Fiscal Year	Level 1	Level 2	Level 3	Level 4	Level 5
2020	26	28	16	91	22
2021	25	38	30	91	29
2022	19	17	31	63	15
2023	28	20	25	75	11

When new processes are developed at Sumitomo Chemical, the Process Safety Review Committee (levels 1 to 5) convenes at every step, from R&D through to industrial-scale production. In essence, this committee focuses on process safety assessment results and confirms whether safety countermeasures are appropriate.

Safety Information Database (Sumitomo Chemical)

	Number of data sets	(Year on year comparison)
Accident prevention technology information	22,103	(Increased by 406)
Accident cause investigations	2,692	(Increased by 39)
Accident information	21,179	(Increased by 89)
As of March 31, 2024	45,974	(Increased by 534)

A safety information database has been created by collecting information on accidents in Japan and overseas and compiling abstracts of said data. As of the end of March 2024, 45,974 sets of data were stored in the database (45,440 sets of data as of March 31, 2023). This system allows all employees at each Works or Research Laboratory to search stored data using individual terminals. This data is also used in process hazard evaluations and case study examinations to prevent similar accidents. In addition, accident data is also disclosed to Group companies as necessary.

3 Product Stewardship / Product Safety / Quality Assurance

Quality Management System

Acquisition of ISO 9001 Certification (Sumitomo Chemical)

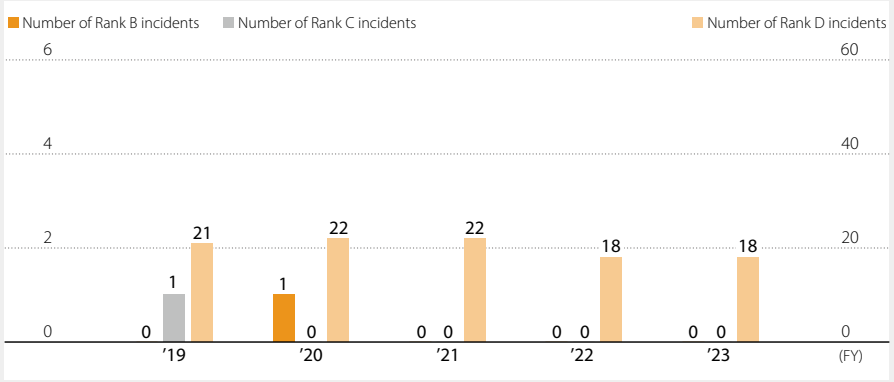
Works	Certificate Number	Certification Date
Ehime Works	JCQA-0019 JET-0847	October 1994 August 2009
Chiba Works	JQA-0829	March 1995
Osaka Works	JQA-0721 JQA-QMA16585	December 1994 October 2022
Oita Works	JQA-1069	December 1995
Oita Works (Okayama Plant)	JSAQ-2904	October 2020
Misawa Works	JQA-0752	December 1994
Ohe Works	JET-0829 JCQA-1720	April 1998 January 2010
Ibaraki Works	ISO9001-0067280	July 2015

Furthermore, the Oita Works (Gifu Plant) has been pursuing Good Manufacturing Practice (GMP) management.

Logistics Quality Assurance

In fiscal 2023, the Company reported 18 incidents of rank D. Of these incidents, 6 involved shipping error or false delivery, which can cause significant problems in the quality of customers' products. Going forward, we will continue to take measures to reduce the number of incidents affecting logistics quality, such as promoting measures to prevent recurrences and rolling out said measures across the Company.

Logistics Incidents Having an Impact on Our Customers (Sumitomo Chemical)*



Notes: • Ranks reflect Sumitomo Chemical's standard, which classifies incidents into Ranks A, B, C, and D in descending order of severity.
• There were no occurrences of Rank A (the most severe) incidents.
• Incidents within the scope of logistics operations are consigned to Sumitomo Chemical.

* Includes some Group companies in Japan that have Works within a Sumitomo Chemical worksite

List of Policies

We have gathered together the Sumitomo Chemical Group's policies, guidelines, and other guidance related to sustainability.

Corporate Philosophy

The Sumitomo Spirit
https://www.sumitomo-chem.co.jp/english/company/principles/sumitomo/

Business Philosophy
https://www.sumitomo-chem.co.jp/english/company/principles/philosophy/

Basic Principles for Promoting Sustainability
https://www.sumitomo-chem.co.jp/english/sustainability/vision/principles/basic_principles/

Sumitomo Chemical Charter for Business Conduct
https://www.sumitomo-chem.co.jp/english/company/principles/charter/

Governance

Sumitomo Chemical Corporate Governance Guidelines
https://www.sumitomo-chem.co.jp/english/company/files/docs/governance_pdf_01.pdf

Corporate Governance Report
https://www.sumitomo-chem.co.jp/english/company/files/docs/governance_report_e.pdf

Implementation Policy for Japan's Stewardship Code
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/stewardship_E.pdf

Basic policy for Enhancement of the Internal Control System
https://www.sumitomo-chem.co.jp/english/company/files/docs/InternalControlSystem_20190329_e.pdf

Compliance Manual
https://www.sumitomo-chem.co.jp/english/sustainability/governance/compliance/rules_society/

Compliance Manual for Bribery Prevention (Outline)
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/AntiCorruption_Manual.pdf

Sumitomo Chemical Group Tax Policy
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/sumitomo_chemical_group_tax_policy.pdf

Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality)
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/ResponsibleCarePolicy.pdf

Eco-First Commitments
https://www.sumitomo-chem.co.jp/english/sustainability/governance/responsiblecare/ecofirst/

Environment

Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality)
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/ResponsibleCarePolicy.pdf

Sumitomo Chemical Group Basic Policy Towards a Circular System for Plastics
https://www.sumitomo-chem.co.jp/english/news/files/docs/20200601e_policy.pdf

Sumitomo Chemical's Commitment to the Conservation of Biodiversity
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/Biodiversity_Guidline.pdf

Social

Sumitomo Chemical Group Human Rights Policy
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/HumanRightsPolicy_e.pdf

Compliance with the Laws and Regulations involving Respect for Human Rights World-wide
https://www.sumitomo-chem.co.jp/english/sustainability/society/human_rights/statement/

Basic Procurement Principles
https://www.sumitomo-chem.co.jp/english/company/purchasing/principles/

Sumitomo Chemical Group Supplier Code of Conduct
https://www.sumitomo-chem.co.jp/sustainability/files/docs/suppliers_code_of_conduct_e.pdf

Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/MineralandRawMaterialsPolicy.pdf

Group Diversity, Equity, and Inclusion Policy
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/DEIPolicy.pdf

Corporate Policy on Responsible Care (Safety, Health, the Environment and Product Quality)
https://www.sumitomo-chem.co.jp/english/sustainability/files/docs/ResponsibleCarePolicy.pdf

Sumitomo Chemical's Social Contribution Activities
https://www.sumitomo-chem.co.jp/english/sustainability/social_contributions/

Calculation Standards for Environmental and Social Data Indicators

We report on each indicator using the following calculation methods.

Environmental Data Indicator		Unit	Calculation Method
Energy	Energy consumption	Thousand kl of crude oil	{(Amount of electricity purchased × Per-unit heating value + Amount of heat purchased × Per-unit heating value) + Σ (Amount of each fuel used × Per-unit heating value for each fuel)} × 0.0258 The per-unit heating value of electricity, per-unit heating value for each fuel, and the types of fuel included in the scope of calculation are based on the values and calculation methods outlined in the Act on the Rational Use of Energy and Shift to Non-fossil Energy (the law's name was changed in April 2023). Because we calculated GHG emissions based on the GHG Protocol from fiscal 2017, the energy usage amount includes the energy used to produce electricity and steam sold to external parties by the Group. The heating value used overseas is based on standard heating values used in the formulation of Japanese laws.
Amount of Exhaustible Resources Used	Hydrocarbon compounds	Thousand tons	Total amount of hydrocarbon compounds used as raw materials (only raw materials purchased from outside the Sumitomo Chemical Group).
	Metals (excluding minor metals)	Thousand tons	Total amount of metals, excluding minor metals, used as raw materials: iron, gold, silver, copper, zinc, aluminum, lead, platinum, titanium, palladium, gallium, and lithium (only raw materials purchased from outside the Sumitomo Chemical Group).
	Minor metals	Thousand tons	Total amount of minor metals used as raw materials: nickel, chromium, tungsten, cobalt, molybdenum, manganese, and vanadium (only raw materials purchased from outside the Sumitomo Chemical Group).
Water	Industrial water Drinking water Seawater Groundwater Other water	Million tons	Amount of industrial water, drinking water, seawater, groundwater, and other water withdrawal volume.
PCBs/CFCs in Use or under Secure Storage	No. of electrical devices containing high concentrations of PCBs	Units	The number of electrical devices containing high concentrations of PCBs, such as condensers and transformers, that are currently in use or under secure storage. Does not include fluorescent lamps and mercury lamp ballasts or contaminated substances (wastepaper, etc.).
	PCB volume	kl	The total amount of PCBs in electrical devices containing PCBs, calculated as the net PCB content by volume. Does not include fluorescent lamps and mercury lamp ballasts or contaminated substances (wastepaper, etc.).
	No. of refrigeration units using specified CFCs as a coolant	Units	No. of refrigeration units using specified CFCs as a coolant.
	No. of refrigeration units using specified HCFCs as a coolant	Units	No. of refrigeration units using specified HCFCs as a coolant.
Products	Calculated on the basis of ethylene production	Thousand tons	The production volume of products is calculated on the basis of ethylene production, using the amount of energy necessary to manufacture the products by weight and the amount of energy necessary for ethylene production by weight. Some assumptions were made in calculations due to the difficulty of obtaining weight-based figures for certain products.
Water Pollutant Emissions	COD	Tons	The total amount of COD emitted into public water area (coastal waters/waterways) and sewer systems. Calculated as: The COD concentration at drains included in the scope of calculation × The amount of water drained into public water bodies and sewer systems from each drain.
	Phosphorus	Tons	The total amount of phosphorus emitted into public water area (coastal waters/waterways) and sewer systems. Calculated as: The phosphorus concentration at drains included in the scope of calculation × The amount of water drained into public water bodies and sewer systems from each drain.
	Nitrogen	Tons	The total amount of nitrogen emitted into public water area (coastal waters/waterways) and sewer systems. Calculated as: The nitrogen concentration at drains included in the scope of calculation × The amount of water drained into public water bodies and sewer systems from each drain.

Environmental Data Indicator		Unit	Calculation Method
Waste Materials	Landfill disposal amount: – External landfill	Thousand tons	The total amount of waste disposed of in landfills. * Landfill disposal amount for Sumitomo Chemical: Of the waste remaining after external reduction processing, the entire amount disposed of in landfills (not recycled) is calculated as the external landfill disposal amount.
	Total landfill	Thousand tons	The total amount of waste disposed of in landfills.
Atmospheric Emissions	Greenhouse gas emissions	Thousand tons of CO_2	**CO_2 emissions from energy use:** Amount of electricity purchased × CO_2 emission factors for electricity + Amount of steam purchased × CO_2 emission factors for steam + Σ (Amount of each fuel used × Per-unit heating value for each fuel × CO_2 emission coefficient for each fuel) The CO_2 emission factors for steam, per-unit heating value for each fuel, and CO_2 emission factors for each fuel are based on the values outlined in the Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System of the Act on Promotion of Global Warming Countermeasures. The CO_2 emission factors for city gas are based on basic emission factors. The CO_2 emission factors for electricity in Japan use the values for each fiscal year by electric power company (adjusted emission factors) and those for overseas use the values by electric power company along with the IEA's 2021 efficiency indicators for each country. From fiscal 2017, results include the energy used to produce the power and steam sold to external parties based on the GHG Protocol. From fiscal 2023, results are based on adjusted emission factors for the electricity CO_2 emission factors in Japan. **CO_2 emissions from other than energy use and non-CO_2 GHG emissions:** In Japan, results are based on the calculation method outlined in the Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System of the Act on Promotion of Global Warming Countermeasures. From fiscal 2017, results include CO_2 emissions generated by processes not subject to reporting under the Act on Promotion of Global Warming Countermeasures. Overseas, figures are calculated in accordance with the laws and regulations of their respective countries.
	NOx	Tons	The total amount of nitrogen oxides originating from facilities specified in the Air Pollution Control Act. Calculated as: Each facility's dry gas emission volume × NOx (N_2O) concentration.
	SOx	Tons	The total amount of sulfur oxides originating from facilities specified in the Air Pollution Control Act. Calculated as: Amount of sulfur in fuel used by each facility × Amount of fuel used. Or calculated as: Each facility's dry gas emission volume × SOx (SO_2) concentration.
	Soot and dust	Tons	The total amount of soot and dust originating from facilities specified in the Air Pollution Control Act. Calculated as: Each facility's dry gas emission volume × Soot and dust concentration.
Substances Subject to the PRTR Act	Atmospheric emissions, water pollutant emission	Tons	Calculated based on the Order for Enforcement of the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (amended Order for Enforcement of the PRTR Act).
Logistics	Energy consumption	Thousand kl of crude oil	The energy consumption is calculated as 10 GJ = 0.258 kl of crude oil, based on the Energy Saving Act Guide Book for Shippers written and edited by Japan's Agency for Natural Resources and Energy.
	CO_2 emissions	Thousand tons of CO_2	Calculated based on the Manual for Calculation and Report of Greenhouse Gas Emissions from Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry using the energy consumption calculated above in GJ.
Scope 3 Greenhouse Gas Emissions	Category 1: Purchased goods and services	Tons of CO_2	Σ {(Volume and monetary amount of goods and services purchased and acquired × Emission intensity)} Values used for emission intensity (volume) are based on the values outlined in IDEA (for calculating supply chain greenhouse gas emissions). Values used for emission intensity (monetary amount) calculations are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain.
	Category 2: Capital goods	Tons of CO_2	Σ {(Value of capital goods) × (Emission intensity)} Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain.
	Category 3: Fuels and energy-related activities not included in Scope 1 or 2	Tons of CO_2	Σ {(Amount of electricity purchased) × (Emissions intensity)} + Σ{(Amount of heat purchased) × (Emissions intensity)} + Σ{(Amount of each fuel used) × (Emissions intensity for each fuel)} Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain and IDEA (for calculating supply chain greenhouse gas emissions).
	Category 4: Upstream transportation and distribution	Tons of CO_2	Calculated by the calculation method for CO_2 emissions in logistics area or by using values based on IDEA (for calculating supply chain greenhouse gas emissions).
	Category 5: Waste generated in operations	Tons of CO_2	Σ (Amount of waste by type × CO_2 emissions intensity of waste by type) CO_2 emissions intensity of waste by type are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain.
	Category 6: Business travel	Tons of CO_2	By mode of travel: Σ (Expenses paid for transportation × Emission intensity) Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain.

Environmental Data Indicator		Unit	Calculation Method
Scope 3 Greenhouse Gas Emissions	Category 7: Employee commuting	Tons of CO_2	By mode of commuting: Σ (Expenses paid for transportation × Emission intensity) Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain and IDEA (for calculating supply chain greenhouse gas emissions).
	Category 8: Upstream leased assets	Tons of CO_2	Calculations of emissions from leased vehicles: Σ (Amount of gasoline consumed annually per vehicle × Emission intensity) The amount of gasoline consumed annually per vehicle is calculated using the Annual Report on Automobile Transportation Statistics. Values used for emission intensity are based on the emission factors outlined in the Accounting, Reporting, and Disclosure System of the Act on Promotion of Global Warming Countermeasures.
	Category 9: Downstream transportation and distribution	Tons of CO_2	Refer to the calculation method used for CO_2 emissions in the logistics section above. Calculations are for fertilizer products for which the sales destination are known and that are sold to consumers as final products.
	Category 10: Processing of sold products	Tons of CO_2	The Group's products are mainly materials and components used for various applications, which makes it difficult to know such details as the nature of the processing products undergo after delivery. Based on the calculation guidelines for the chemical industry created by the WBCSD, the Group is exempted from this category.
	Category 11: Use of sold products	Tons of CO_2	Calculations are for the pharmaceutical product fixed-dose mist inhalers as well as fertilizer products for which GHG emissions levels are known and that are sold to consumers as final products. Σ (Fertilizer sales volume by type × Percentage of nitrogen in fertilizers by type × N_2O emission factors by type × 265 (GWP)) Σ (HFC volume in fixed-dose mist inhalers × GWP) Values for GWP are based on global warming emission factors listed in the Calculation Method and Emission Factors Chart (updated December 12, 2023 (partially revised July 11, 2024)) in the Accounting, Reporting, and Disclosure System of the Order for Enforcement of the Act on Promotion of Global Warming Countermeasures.
	Category 12: End-of-life treatment of sold products	Tons of CO_2	Calculations are for the Group's main resin-related products. Σ {(Production volume of resin-related products) × (Emission intensity)} Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain.
	Category 13: Downstream leased assets	Tons of CO_2	There are no relevant leased assets.
	Category 14: Franchises	Tons of CO_2	There are no relevant operations.
	Category 15: Investments	Tons of CO_2	Because Sumitomo Chemical changed its approach to financial control consolidation for disclosure purposes from fiscal 2017, the Group is now exempted from this category.

Social and Economic Data Indicator		Unit	Calculation Method
Occupational Safety and Health	Frequency rate	—	(Number of lost-workday injuries and casualties ÷ Cumulative total of hours worked) × 1,000,000
	Severity rate	—	(Cumulative total of workdays lost ÷ Cumulative total of hours worked) × 1,000

Environmental Accounting Indicators		Unit	Calculation Method
Environmental Protection Costs		Billion yen	Costs include depreciation.
Economic Benefits	Reduced costs through energy saving	Billion yen	Reduced costs of energy through energy-saving activities.
	Reduced costs through resource saving	Billion yen	Reduced costs of waste processing attributable to resource-saving activities.
	Reduced costs through recycling activities	Billion yen	Reduced costs of waste processing compared to the previous fiscal year through waste reduction attributable to recycling activities and gains on sales of valuable resources obtained from recycling, etc.

GRI Standards Reference Table

Statement of use

Sumitomo Chemical Co., Ltd. has reported the information cited in this GRI content index for the period (Group companies in japan: April 1, 2023 – March 31, 2024 (FY2023); overseas Group companies: January 1, 2023 – December 31, 2023) with reference to the GRI Standards.

Universal Standards

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
GRI2: General Disclosures 2021					
The organization and its reporting practices					
2-1	Organizational details	a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.	Introduction to the Sumitomo Chemical Group	P.003	Corporate Profile Business Locations & Group Companies
2-2	Entities included in the organization's sustainability reporting	a. list all its entities included in its sustainability reporting; b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	Boundary of This Report	P.002	Consolidated Financial Statements
2-3	Reporting period, frequency and contact point	a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	Boundary of This Report GRI Standards Reference Table	P.002 PP.200-221	Inquiry about Sustainability
2-4	Restatements of information	a. report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	Cost Efficiency of Environmental Protection Measures	P.113	
2-5	External assurance	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	Editorial Policy Independent Assurance Report Sustainability Promotion System	P.002 P.223 P.008	

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
Activities and workers					
2-6	Activities, value chain and other business relationships	a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.			Business Sector Report (Annual Report 2024 PP.65-74) Production Flow Charts (Investors' Handbook 2024 PP.64-71)
2-7	Employees	a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	Human Resources Diversity, Equity, and Inclusion (DE&I)	PP.188-191 PP.155-158	
2-8	Workers who are not employees	a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of worker and their contractual relationship with the organization; ii. the type of work they perform; b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	—	—	Consolidated Financial Statements

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
Governance					
2-9	Governance structure and composition	a. describe its governance structure, including committees of the highest governance body; b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation.	Corporate Governance Organization Sustainability Promotion System	PP.045-047 P.008	Consolidated Financial Statements
2-10	Nomination and selection of the highest governance body	a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization.	Corporate Governance Organization Directors & Senior Management Expertise and Experience of Directors and Audit & Supervisory Board Members	PP.045-047 PP.055-056 P.057	Consolidated Financial Statements
2-11	Chair of the highest governance body	a. report whether the chair of the highest governance body is also a senior executive in the organization; b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Corporate Governance Organization	PP.045-047	Consolidated Financial Statements
2-12	Role of the highest governance body in overseeing the management of impacts	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development; b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	Sustainability Promotion System Corporate Governance Disclosure in Line with TCFD Recommendations (Governance)	P.008 PP.044-057 P.083	
2-13	Delegation of responsibility for managing impacts	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees; b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	Sustainability Promotion System Corporate Governance Disclosure in Line with TCFD Recommendations (Governance)	P.008 PP.044-057 P.083	
2-14	Role of the highest governance body in sustainability reporting	a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information; b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	Sustainability Promotion System	P.008	

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
2-15	Conflicts of interest	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	Corporate Governance Organization Efforts to Substantively Strengthen Corporate Governance Listed Company with Listed Subsidiaries Cross-Shareholdings The Internal Structure regarding Timely Disclosure	PP.045-047 PP.048-049 PP.053-054 P.054 P.058	Corporate Governance Report Consolidated Financial Statements
2-16	Communication of critical concerns	a. describe whether and how critical concerns are communicated to the highest governance body; b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Sustainability Promotion System Internal Control Risk Management Compliance System at the Sumitomo Chemical Group	P.008 PP.058-059 PP.060-061 PP.062-063	
2-17	Collective knowledge of the highest governance body	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Efforts to Substantively Strengthen Corporate Governance Sustainability Promotion System	PP.048-049 P.008	
2-18	Evaluation of the performance of the highest governance body	a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	Efforts to Substantively Strengthen Corporate Governance	PP.048-049	
2-19	Remuneration policies	a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits; b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Remuneration (Applied to Directors and Executive Officers)	PP.051-052	
2-20	Process to determine remuneration	a. describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives; b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Remuneration (Applied to Directors and Executive Officers)	PP.051-052	
2-21	Annual total compensation ratio	a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees(excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	—	—	
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	President's Message	P.004	President's Message (Annual Report 2024 PP.5-10)

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
2-23	Policy commitments	a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights; b. describe its specific policy commitment to respect human rights, including: i. the internationally recognized human rights that the commitment covers; ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment; c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this; d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level; e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships; f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	Sumitomo Chemical's Corporate Philosophy What Sumitomo Chemical Group Strives to Be Respect for Human Rights List of Policies	P.005 P.005 PP.133-141 P.196	
2-24	Embedding policy commitments	a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i. how it allocates responsibility to implement the commitments across different levels within the organization; ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organization provides on implementing the commitments.	The Material Issues to Be Addressed as Management Priorities Key Performance Indicators (KPIs) for Material Issues Sustainability Promotion System Respect for Human Rights Procurement	PP.009-010 PP.011-020 P.008 PP.133-141 PP.142-146	
2-25	Processes to remediate negative impacts	a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to; b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in; c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to; d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	Risk Management Respect for Human Rights Internal Reporting System (Speak-Up System)	PP.060-061 PP.133-141 PP.064-065	
2-26	Mechanisms for seeking advice and raising concerns	a. describe the mechanisms for individuals to: i. seek advice on implementing the organization's policies and practices for responsible business conduct; ii. raise concerns about the organization's business conduct.	Internal Reporting System (Speak-Up System)	PP.064-065	
2-27	Compliance with laws and regulations	a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred; b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance.	Risk Management Compliance Occupational Safety and Health /Industrial Safety and Disaster Prevention Product Stewardship / Product Safety / Quality Assurance Safety Achievements, Industrial Safety and Disaster Prevention Results, Logistics Quality Assurance Environmental Activity Goals and Results Compliance with Environmental Laws and Regulations	PP.060-061 PP.062-067 PP.165-170 PP.171-175 PP.194-195 P.081 P.111	

No.	Disclosure	Reporting requirements	Corresponding part		
			The Sustainability Report 2024		Website and related reports
2-28	Membership associations	a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	Participation in Initiatives	PP.029-033	
Stakeholder engagement					
2-29	Approach to stakeholder engagement	a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders.	Communication with Stakeholders	PP.034-035	IR Activities (Annual Report 2024 PP.35-36)
2-30	Collective bargaining agreements	a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	Communication with Employees	P.151	
Disclosures on material topics					
3-1	Process to determine material topics	a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritized the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	The Material Issues to Be Addressed as Management Priorities Climate Change Mitigation and Adaptation	PP.009-010 PP.082-094	
3-2	List of material topics	a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	The Material Issues to Be Addressed as Management Priorities Key Performance Indicators (KPIs) for Material Issues	PP.009-010 PP.011-020	
3-3	Management of material topics	a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	The Material Issues to Be Addressed as Management Priorities Key Performance Indicators (KPIs) for Material Issues Sustainability Promotion System Climate Change Mitigation and Adaptation Sumika Sustainable Solutions (SSS)	PP.009-010 PP.011-020 P.008 PP.082-094 PP.021-026	

Topic-specific Standards

○: Items related material aspects for Sumitomo Chemical Group in GRI Standards ID 200 – 400 range

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
ECONOMIC					
GRI201: Economic Performance 2016					
201-1		Direct economic value generated and distributed	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	Consolidated Financial Statements	
201-2	○	Financial implications and other risks and opportunities due to climate change	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.	Disclosure in Line with TCFD Recommendations	PP.083-094
201-3		Defined benefit plan obligations and other retirement plans	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	Consolidated Financial Statements	
201-4		Financial assistance received from government	a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	—	—

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
GRI202: Market Presence 2016					
202-1		Ratios of standard entry level wage by gender compared to local minimum wage	a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage. c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used. d. The definition used for 'significant locations of operation'.	—	—
202-2		Proportion of senior management hired from the local community	a. Percentage of senior management at significant locations of operation that are hired from the local community. b. The definition used for 'senior management'. c. The organization's geographical definition of 'local'. d. The definition used for 'significant locations of operation'.	—	—
GRI203: Indirect Economic Impacts 2016					
203-1		Infrastructure investments and services supported	a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	Volunteering Activity Results, Donation Results Contributions to Communities	P.182 PP.181-187
203-2		Significant indirect economic impacts	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	—	—
GRI204: Procurement Practices 2016					
204-1		Proportion of spending on local suppliers	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally). b. The organization's geographical definition of 'local'. c. The definition used for 'significant locations of operation'.	—	—
GRI205: Anti-corruption 2016					
205-1	○	Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	Anti-corruption	PP.068-070
205-2	○	Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	Compliance Training Status	P.066
205-3	○	Confirmed incidents of corruption and actions taken	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Response to Compliance Violations	P.065

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
GRI206: Anti-competitive Behavior 2016					
206-1	○	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant. b. Main outcomes of completed legal actions, including any decisions or judgments.	Response to Compliance Violations	P.065
GRI207: Tax 2019					
207-1		Approach to tax	a. A description of the approach to tax, including: i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available; ii. the governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review; iii. the approach to regulatory compliance; iv. how the approach to tax is linked to the business and sustainable development strategies of the organization.	Tax Transparency	P.071
207-2		Tax governance, control, and risk management	a. A description of the tax governance and control framework, including: i. the governance body or executive-level position within the organization accountable for compliance with the tax strategy; ii. how the approach to tax is embedded within the organization; iii. the approach to tax risks, including how risks are identified, managed, and monitored; iv. how compliance with the tax governance and control framework is evaluated. b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax. c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.	Tax Transparency	P.071
207-3		Stakeholder engagement and management of concerns related to tax	a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including: i. the approach to engagement with tax authorities; ii. the approach to public policy advocacy on tax; iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.	Sumitomo Chemical Group Tax Policy	
207-4		Country-by-country reporting	a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. b. For each tax jurisdiction reported in Disclosure 207-4-a: i. Names of the resident entities; ii. Primary activities of the organization; iii. Number of employees, and the basis of calculation of this number; iv. Revenues from third-party sales; v. Revenues from intra-group transactions with other tax jurisdictions; vi. Profit/loss before tax; vii. Tangible assets other than cash and cash equivalents; viii. Corporate income tax paid on a cash basis; ix. Corporate income tax accrued on profit/loss; x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax. c. The time period covered by the information reported in Disclosure 207-4.	Corporate Income Taxes Paid Consolidated Financial Statements	P.071

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
ENVIRONMENT					
GRI301: Materials 2016					
301-1		Materials used by weight or volume	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	Environmental Activity Goals and Results Exhaustible Raw Material Use Environmental Performance Common Environmental Protection and Management Targets (Japan, Overseas)	P.080 P.099 P.101 PP.110-111 PP.126-127
301-2		Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	Waste Disposal Flow Chart and Results Initiatives to Recycle and Reuse Plastic and Other Waste Common Environmental Protection and Management Targets (Japan, Overseas)	P.122 P.125 PP.126-127
301-3		Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	Reduction of Plastic Used in Product Packaging and Use of Recycled Materials	P.098
GRI302: Energy 2016					
302-1	○	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Reduction of GHG Emissions from Energy (purchased electricity): Use of renewable energy Calculation Standards for Environmental and Social Data Indicators	PP.086-088 P.091 PP.197-199
302-2	○	Energy consumption outside of the organization	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Calculation Standards for Environmental and Social Data Indicators	PP.086-088 PP.197-199
302-3	○	Energy intensity	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	Environmental Activity Goals and Results Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Energy Saving	P.080 PP.086-088 P.109

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
302-4	○	Reduction of energy consumption	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Environmental Performance Energy Saving Calculation Standards for Environmental and Social Data Indicators	PP.086-088 P.101 PP.110-111 P.109 PP.197-199
302-5	○	Reductions in energy requirements of products and services	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	Key Performance Indicators (KPIs) for Material Issues Sumika Sustainable Solutions (SSS) Calculation Standards for Environmental and Social Data Indicators	PP.011-014 PP.021-026 PP.197-199
GRI303: Water and Effluents 2018					
303-1		Interactions with water as a shared resource	a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff). b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used. c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts. d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.	Environmental Activity Goals and Results Environmental Performance Effective Use of Water Resources	P.081 P.101 PP.110-111 PP.104-106
303-2		Management of water discharge-related impacts	a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including: i. how standards for facilities operating in locations with no local discharge requirements were determined; ii. any internally developed water quality standards or guidelines; iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered.	Environmental Activity Goals and Results Sustainable Use of Natural Capital (Management System) Responsible Care (Management System) Protecting the Aquatic Environment	P.081 P.100 P.072 PP.104-105
303-3		Water withdrawal	a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i–iv. c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Water Usage Environmental Performance Calculation Standards for Environmental and Social Data Indicators	P.105 P.101 PP.110-111 PP.197-199

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
303-4		Water discharge	a. Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable. b. A breakdown of total water discharge to all areas in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). c. Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids). d. Priority substances of concern for which discharges are treated, including: i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used; ii. the approach for setting discharge limits for priority substances of concern; iii. number of incidents of non-compliance with discharge limits. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Effective Use of Water Resources Environmental Performance Calculation Standards for Environmental and Social Data Indicators	PP.104-106 P.101 P.111 PP.197-199
303-5		Water consumption	a. Total water consumption from all areas in megaliters. b. Total water consumption from all areas with water stress in megaliters. c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact. d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	Effective Use of Water Resources Environmental Performance Calculation Standards for Environmental and Social Data Indicators	PP.104-106 P.101 P.111 PP.197-199
GRI304: Biodiversity 2016					
304-1		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km^2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Biodiversity Preservation Initiatives Nature Preservation Initiatives	PP.102-103 P.107

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
304-2		Significant impacts of activities, products, and services on biodiversity	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	—	—
304-3		Habitats protected or restored	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	Biodiversity Preservation Initiatives Water Area Surveys Conducted around Works (Misawa Works) Nature Preservation Initiatives	PP.102-103 P.105 P.107
304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern	Water risk assessment in areas where major production sites are located Water Area Surveys Conducted around Works (Misawa Works)	PP.105-106 P.105
GRI305: Emissions 2016					
305-1	○	Direct (Scope 1) GHG missions	a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Major Sources of GHG Emissions from Chemical Plants Environmental Performance Calculation Standards for Environmental and Social Data Indicators	PP.086-088 PP.090-091 P.101 P.111 PP.197-199

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
305-2	○	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Major Sources of GHG Emissions from Chemical Plants Environmental Performance Calculation Standards for Environmental and Social Data Indicators	PP.086-088 PP.090-091 P.101 P.111 PP.197-199
305-3	○	Other indirect (Scope 3) GHG emissions	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent. b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Logistics Initiatives Calculation Standards for Environmental and Social Data Indicators	PP.086-088 P.092 PP.197-199
305-4	○	GHG emissions intensity	a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Environmental Performance Calculation Standards for Environmental and Social Data Indicators	PP.086-088 P.101 P.111 PP.197-199
305-5	○	Reduction of GHG emissions	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	Disclosure in Line with TCFD Recommendations (Metrics and Targets (Risk)) Environmental Performance Science Based Contributions (SBC) Avoided GHG emissions through products and technologies Calculation Standards for Environmental and Social Data Indicators	PP.086-088 P.101 P.111 P.089 PP.197-199
305-6	○	Emissions of ozone-depleting substances (ODS)	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Environmental Performance Addressing Fluorocarbons Calculation Standards for Environmental and Social Data Indicators	P.101 P.111 P.117 PP.197-199

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
305-7	○	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Environmental Performance Preventing Pollution: Atmospheric Emissions of SOx, NOx, Soot, and Dust Addressing PRTR and VOCs Calculation Standards for Environmental and Social Data Indicators	P.101 P.111 P.114 PP.116-117 PP.197-199
GRI306: Waste 2020					
306-1		Waste generation and significant waste-related impacts	a. For the organization's significant actual and potential waste-related impacts, a description of: i. the inputs, activities, and outputs that lead or could lead to these impacts; ii. whether these impacts relate to waste generated in the organization's own activities or to waste generated upstream or downstream in its value chain.	Resource Saving and Waste Reduction	PP.098-099
306-2		Management of significant waste-related impacts	a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated. b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations. c. The processes used to collect and monitor waste-related data.	Environmental Activity Goals and Results Resource Saving and Waste Reduction Digitization of Manifests to Be Prepared Pursuant to the Waste Management and Public Cleansing Act Calculation Standards for Environmental and Social Data Indicators	P.080 PP.098-099 P.121 PP.197-199
306-3		Waste generated	a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste. b. Contextual information necessary to understand the data and how the data has been compiled.	Environmental Performance Waste Reduction Common Environmental Protection and Management Targets (Japan, Overseas) Calculation Standards for Environmental and Social Data Indicators	P.101 P.111 PP.121-125 PP.126-127 PP.197-199
306-4		Waste diverted from disposal	a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations. d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: i. onsite; ii. offsite. e. Contextual information necessary to understand the data and how the data has been compiled.	Waste Disposal Flow Chart, Results by Item in Connection with the Disposal of Wast, Categories of Hazardous and Non-Hazardous Waste, Results of Recycling and Reusing Waste, Results of Recycling and Reusing Plastic Waste Common Environmental Protection and Management Targets (Japan, Overseas) Calculation Standards for Environmental and Social Data Indicators	PP.122-125 PP.126-127 PP.197-199

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
306-5		Waste directed to disposal	a. Total weight of waste directed to disposal in metric tons, and a breakdown of this total by composition of the waste. b. Total weight of hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. c. Total weight of non-hazardous waste directed to disposal in metric tons, and a breakdown of this total by the following disposal operations: i. Incineration (with energy recovery); ii. Incineration (without energy recovery); iii. Landfilling; iv. Other disposal operations. d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste directed to disposal: i. onsite; ii. offsite. e. Contextual information necessary to understand the data and how the data has been compiled.	Waste Disposal Flow Chart, Results by Item in Connection with the Disposal of Waste, Categories of Hazardous and Non-Hazardous Waste, Results of Recycling and Reusing Waste, Results of Recycling and Reusing Plastic Waste Common Environmental Protection and Management Targets (Japan, Overseas) Calculation Standards for Environmental and Social Data Indicators	PP.122-125 PP.126-127 PP.197-199
GRI308: Supplier Environmental Assessment 2016					
308-1		New suppliers that were screened using environmental criteria	a. Percentage of new suppliers that were screened using environmental criteria.	Initiative for Suppliers Promoting Sustainable Procurement throughout the Supply Chain	P.144 PP.145-146
308-2		Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts. b. Number of suppliers identified as having significant actual and potential negative environmental impacts. c. Significant actual and potential negative environmental impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	Supplier Information Exchange Meeting Initiative for Suppliers Promoting Sustainable Procurement throughout the Supply Chain	P.146 P.144 PP.145-146

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
SOCIAL					
GRI401: Employment 2016					
401-1		New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region. b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	Number of New Graduate and Mid-career Hires, Percentage of Mid-career Hires, Number and Percentage of People Who Left the Company	P.189
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'.	Work-Life Balance	PP.152-154
401-3		Parental leave	a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender.	Results of Systems for Work-Life Balance Return Rate of Employees Who Take Extended Leave for Childcare	P.153 P.190
GRI402: Labor/Management Relations 2016					
402-1		Minimum notice periods regarding operational changes	a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	Communication with Employees	P.151
GRI403: Occupational Health and Safety 2018					
403-1	○	Occupational health and safety management system	a. A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines. b. A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Basic Stance) Occupational Safety and Health Management System	P.165 PP.191-192
403-2	○	Hazard identification, risk assessment, and incident investigation	a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system. b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals. c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals. d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Management System, Examples of Initiatives) Responsible Care (RC) Audits	P.165 PP.167-170 PP.075-076
403-3	○	Occupational health services	a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Examples of Initiatives) Responsible Care (RC) Audits	PP.167-170 PP.075-076

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
403-4	○	Worker participation, consultation, and communication on occupational health and safety	a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers. b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Management System) Communication with Employees	P.165 P.151
403-5	○	Worker training on occupational health and safety	a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	Safety Education and Drills	P.169
403-6	○	Promotion of worker health	a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided. b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	Healthcare	PP.163-164
403-7	○	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Examples of Initiatives) Preventing Severe Accidents in Subcontracted Operations and Construction Operations Logistics Initiatives	PP.167-170 P.168 P.170
403-8	○	Workers covered by an occupational health and safety management system	a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system; ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited; iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party. b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Basic Stance) Occupational Safety and Health Management System	P.165 PP.191-192
403-9	○	Work-related injuries	a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Basic Stance, Goals and Results) Safety Achievements, Industrial Safety and Disaster Prevention Results Calculation Standards for Environmental and Social Data Indicators	PP.165-167 PP194-195 P.199

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
403-10	○	Work-related ill health	a. For all employees: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number of fatalities as a result of work-related ill health; ii. The number of cases of recordable work-related ill health; iii. The main types of work-related ill health. c. The work-related hazards that pose a risk of ill health, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to cases of ill health during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	Occupational Safety and Health / Industrial Safety and Disaster Prevention (Basic Stance, Goals and Results) Safety Achievements	PP.165-167 P.194
GRI404: Training and Education 2016					
404-1		Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Time Spent on Training Training for Development of Global Talent Management Skills Enhancement Training Human Resources Development and Growth	P.160 P.161 P.162 PP.159-162
404-2		Programs for upgrading employee skills and transition assistance programs	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Organization of Training Programs SUMIKA Learning Square	P.159 P.160
404-3		Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Human Resources System Initiatives, Characteristics of Our HR Systems	PP.147-148
GRI405: Diversity and Equal Opportunity 2016					
405-1	○	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30–50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30–50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Directors & Senior Management Basic Data, Promotion of DE&I	PP.055-056 PP.188-190
405-2	○	Ratio of basic salary and remuneration of women to men	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	Average monthly wages	P.188

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
GRI406: Non-discrimination 2016					
406-1	○	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	Grievance Mechanisms	P.140
GRI407: Freedom of Association and Collective Bargaining 2016					
407-1	○	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	Respect for Human Rights Procurement	PP.133-141 PP.142-146
GRI408: Child Labor 2016					
408-1	○	Operations and suppliers at significant risk for incidents of child labor	a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.	Respect for Human Rights Procurement	PP.133-141 PP.142-146
GRI409: Forced or Compulsory Labor 2016					
409-1	○	Operations and suppliers at significant risk for incidents of forced or compulsory labor	a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.	Respect for Human Rights Procurement	PP.133-141 PP.142-146
GRI410: Security Practices 2016					
410-1	○	Security personnel trained in human rights policies or procedures	a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security. b. Whether training requirements also apply to third-party organizations providing security personnel.	—	—
GRI411: Rights of Indigenous Peoples 2016					
411-1		Incidents of violations involving rights of indigenous peoples	a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	Not applicable	—

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
GRI413: Local Communities 2016					
413-1		Operations with local community engagement, impact assessments, and development programs	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.	Initiatives to Ensure Safety at All Group Workplaces	P.183
413-2		Operations with significant actual and potential negative impacts on local communities	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	Preparation for Large-Scale Natural Disasters Industrial Safety and Disaster Prevention (Examples of Initiatives)	P.169 PP.168-170
GRI414: Supplier Social Assessment 2016					
414-1		New suppliers that were screened using social criteria	a. Percentage of new suppliers that were screened using social criteria.	Initiative for Suppliers	P.144
414-2		Negative social impacts in the supply chain and actions taken	a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	Human Rights Due Diligence and Relief Efforts Initiative for Suppliers	PP.135-139 P.144
GRI415: Public Policy 2016					
415-1		Political contributions	a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary. b. If applicable, how the monetary value of in-kind contributions was estimated.	Number of Major Donations	P.182
GRI416: Customer Health and Safety 2016					
416-1	○	Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Risk Assessment and Management throughout the Entire Product Life Cycle Risk Management for Product Safety	P.172 P.172
416-2	○	Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Not applicable	—

NO.	Related material aspects	Disclosure	Reporting requirements	The Sustainability Report 2024	
GRI417: Marketing and Labeling 2016					
417-1	○	Requirements for product and service information and labeling	a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling: i. The sourcing of components of the product or service; ii. Content, particularly with regard to substances that might produce an environmental or social impact; iii. Safe use of the product or service; iv. Disposal of the product and environmental or social impacts; v. Other (explain). b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.	Providing Products and Services of Stable Quality The Information Sharing System and Ensuring thorough Compliance Effective Use of SuCCESS Providing Toxicological Information Sharing Information on Chemicals in Products	P.173 P.173 P.174 P.174 P.174
417-2		Incidents of non-compliance concerning product and service information and labeling	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Not applicable	—
417-3		Incidents of non-compliance concerning marketing communications	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes. b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	Not applicable	—
GRI418: Customer Privacy 2016					
418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	Not applicable	—

TCFD Index

This index provides links to the Sumitomo Chemical Group's disclosures on recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Recommended disclosure content	Relevant sections: The Sustainability Report 2024	Relevant sections: Website and related reports
Governance Disclose the organization's governance pertaining to climate-related risks and opportunities.		
a) Framework of the Board of Directors' oversight of climate related risks and opportunities	• Corporate Governance PP.044-057	• Consolidated Financial Statements
b) The role of management in assessing and managing climate-related risks and opportunities	• Structures for Responding to Climate Change P.083	• CDP Climate Change 2023 (C1.1,C1.2)
Strategy Disclose the actual or latent impact on the business, strategy, and financial planning of climate-related risks and opportunities if such information is important.		
a) Climate-related risks and opportunities the organization has identified over the short-, mid- and long-term	• Risks and Opportunities P.084 • Scenario Analysis PP.084-086	• Annual Report 2024 PP.47-48 • Consolidated Financial Statements • CDP Climate Change 2023 (C2.1, C3.2) • CDP Climate Change 2023 (C2.3, C3.3) • CDP Climate Change 2023 (C2.4, C3.4) • CDP Climate Change 2023 (C3.1, C3.5)
b) Impact of climate-related risks and opportunities on the organization's business, strategy and financial planning		
c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		
Risk management Disclose how the organization is identifying, evaluating, and controlling climate related risks		
a) Organization's processes for identifying and assessing climate-related risks	• Structures for Responding to Climate Change P.083	• Annual Report 2024 PP.47-48
b) Organization's processes for managing climate-related risks	• Risks and Opportunities P.084	• CDP Climate Change 2023 (C2.2)
c) How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	• Scenario Analysis PP.084-086	

Recommended disclosure content		Relevant sections: The Sustainability Report 2024	Relevant sections: Website and related reports
Metrics and targets Disclose indicators and targets used in the evaluation and control of climate related risks and opportunities if such information is important.			
a) Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process		• Grand Design Toward Achieving Carbon Neutrality P.082 • GHG Emissions Trends and Reduction Targets (Scope 1+2) P.086	• Annual Report 2024 P.51
Cross-Industry, Climate-Related Metric Categories (Revised on October 2021)			
GHG Emissions	Absolute Scope 1, Scope 2, and Scope 3; emissions intensity	• GHG Emissions Trends and Reduction Targets (Scope 1+2, Scope3) PP.086-088	• CDP Climate Change 2023 (C6.1, 6.2, 6.3)
Transition Risks	Amount and extent of assets or business activities vulnerable to transition risks	• Risks and Opportunities P.084 • Scenario Analysis PP.084-086	• CDP Climate Change 2023 (C2.2, C2.3)
Physical Risks	Amount and extent of assets or business activities vulnerable to physical risks	• Risks and Opportunities P.084 • Scenario Analysis PP.084-086	• CDP Climate Change 2023 (C2.2, C2.3)
Climate-Related Opportunities	Proportion of revenue, assets, or other business activities aligned with climate-related opportunities	• Scenario Analysis PP.084-086	• CDP Climate Change 2023 (C2.2, C2.4)
Capital Deployment	Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	• Investments to achieve carbon neutrality P.084 • Investment Scale P.084	• Annual Report 2024 P.48 • CDP Climate Change 2023 (C2.3, C2.4)
Internal Carbon Prices	Price on each ton of GHG emissions used internally by an organization	• Investments to achieve carbon neutrality P.084	• Annual Report 2024 P.48 • CDP Climate Change 2023 (C4.3, C11.3)
Remuneration	Proportion of executive management remuneration linked to climate considerations	• Remuneration (Applied to Directors and Executive Officers) PP.051-052	• CDP Climate Change 2023 (C1.3a)
b) Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and related risk		• Energy Consumption and Greenhouse Gas Emissions (Scope1, 2, 3) PP.087-088 • Scenario Analysis PP.084-086	• Annual Report 2024 P.49 P.51
c) Targets used by the organization to manage climate-related risks and opportunities and performance against target		• Metrics and Targets (Risk) PP.086-088 • Metrics and Targets (Opportunities) P.089 • Specific initiatives for "Obligation" PP.090 -092 • Specific initiatives for "Contribution" PP.093 -094	• Annual Report 2024 PP.51 - 52

Independent Assurance Report

In the "Sustainability Report 2024," to ensure the reliability and transparency of this report, regarding quantitative information, assurance is provided on the indicators labeled with a star ★ by KPMG AZSA Sustainability Co., Ltd. (Regarding other disclosed information, please refer to the "Calculation Standards for Environmental and Social Data Indicators," wherein a summary of data collection and calculation methods is presented.)

KPMG

Independent Assurance Report

To the Representative Director & President of Sumitomo Chemical Company, Limited

We were engaged by Sumitomo Chemical Company, Limited (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with "★" (the "Indicators") for the period from April 1, 2023 to March 31, 2024 included in its Sustainability Report 2024 (the "Sustainability Report") for the fiscal year ended March 31, 2024.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Sustainability Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Sustainability Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting one of the Company's factories and one of the Company's subsidiaries selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Sustainability Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Shinnosuke Kayumi

Shinnosuke Kayumi, Partner
KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
October 25, 2024