

Management System

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

Sumitomo Chemical's Sustainability Efforts and the SDGs

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

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

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

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

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

Basic Principles for Promoting Sustainability

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

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

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

[▶ 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.

[▶ 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.

[▶ 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.

[▶ 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.

[▶ 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.

[▶ Sustainability Promotion System](#)

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

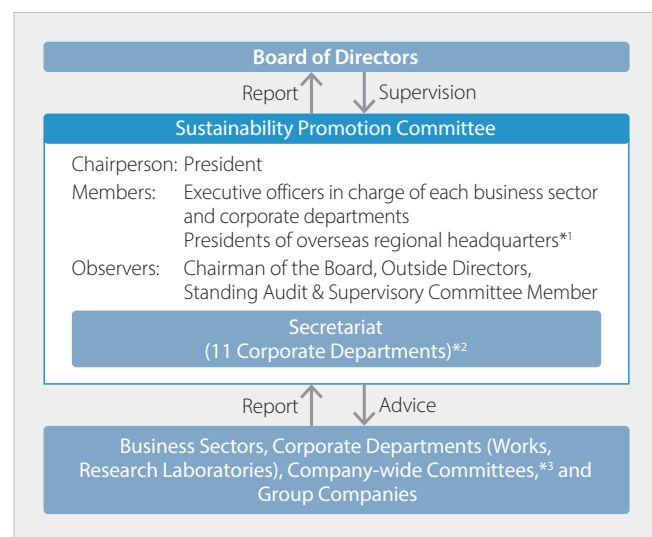
Sustainability Promotion System

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

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

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

■ Sustainability Promotion Committee



Purpose

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

Role

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

① SOLUTION:

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

② INITIATIVE:

Providing advice to various committees through participation in international initiatives

③ ENGAGEMENT:

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

*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 2024 Results

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

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

▶ What Sumitomo Chemical Group Strives to Be

■ Main Agenda Items

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