


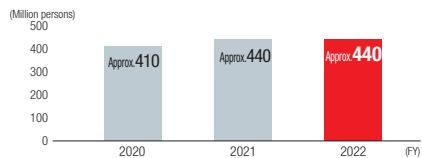



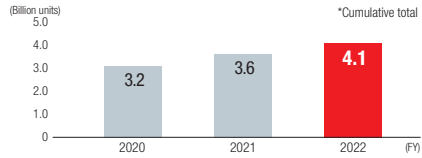

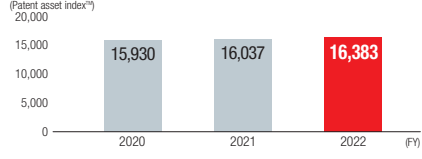

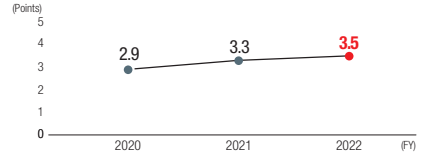
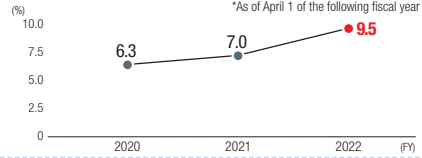

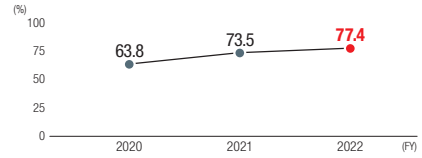

The Material Issues to Be Addressed as Management Priorities and KPI

Sumitomo Chemical has identified the material issues to be addressed as management priorities in fiscal 2018 based on its corporate philosophy. These material issues were identified through deliberation and approval by management based on overall evaluation of the group’s contribution to sustainability, and were reviewed again in fiscal 2021 based on subsequent changes in social conditions.

The material issues to be addressed as management priorities are classified into “material issues for sustainable value creation” and “foundation for business continuity”. Of the “material issues for sustainable value creation”, issues that lead to the creation of business opportunities are positioned as “material issues for social value creation”, and resources that serve as the driving force for the creation of business opportunities are positioned as “material issues for the creation of future value”. Key Performance Indicators (KPI) have been set for each initiative. 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. Please refer to the Sustainability Data Book (to be released in October 2023) for details on KPI.

Material Issues for Sustainable Value Creation

		KPI	Targets	Results									
<p>Material Issues for Social Value Creation</p> <div style="text-align: center;">  <p>Contribute to the Environment</p> <ul style="list-style-type: none"> ● Climate Change Mitigation and Adaptation → P.37 ● Contribute to Recycling Resources → P.43 ● Sustainable Use of Natural Capital → P.45 </div>	<p>Amount of Group’s GHG emissions (Scope 1+2)</p> <p><small>* Scope1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes)</small></p> <p><small>* Scope2: Indirect emissions from purchases of power and heat from outside the factory</small></p>			<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Million tons</td><td>7.42</td><td>7.65</td><td>6.58</td></tr> </table>	Year	2020	2021	2022 (FY)	Million tons	7.42	7.65	6.58	
		Year	2020	2021	2022 (FY)								
		Million tons	7.42	7.65	6.58								
					<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Million tons</td><td>17.65</td><td>18.61</td><td>17.66</td></tr> </table>	Year	2020	2021	2022 (FY)	Million tons	17.65	18.61	17.66
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				<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Billions of yen</td><td>463.3</td><td>621.2</td><td>682.8</td></tr> </table>	Year	2020	2021	2022 (FY)	Billions of yen	463.3	621.2	682.8	
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				<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Index</td><td>120</td><td>100</td><td>86</td></tr> </table>	Year	2020	2021	2022 (FY)	Index	120	100	86	
Year	2020	2021	2022 (FY)										
Index	120	100	86										
			<p>FY2022 13 licenses</p>										
			<table border="1"> <tr><th>Year</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Tons</td><td>Approx. 2,400</td><td>Approx. 5,900</td></tr> </table>	Year	2021	2022 (FY)	Tons	Approx. 2,400	Approx. 5,900				
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Tons	Approx. 2,400	Approx. 5,900											
<div style="text-align: center;">  <p>Contribute to the Food Supply</p> <ul style="list-style-type: none"> ● Advance Sustainable Agriculture → P.46 </div>				<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Million tons</td><td>Approx. 4.8</td><td>Approx. 4.6</td><td>Approx. 4.3</td></tr> </table>	Year	2020	2021	2022 (FY)	Million tons	Approx. 4.8	Approx. 4.6	Approx. 4.3	
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				<table border="1"> <tr><th>Year</th><th>2020</th><th>2021</th><th>2022 (FY)</th></tr> <tr><td>Million ha</td><td>Approx. 90</td><td>Approx. 90</td><td>Approx. 110</td></tr> </table>	Year	2020	2021	2022 (FY)	Million ha	Approx. 90	Approx. 90	Approx. 110	
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	KPI	Targets	Results	
Material Issues for Social Value Creation	 Contribute to Healthcare → P.47	Number of people protected by vector control products 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 Targets and KPIs for Material Issues Click here for details  Sumitomo Pharma HP	New Drugs Approved Click here for details  Sumitomo Pharma HP	
	 Contribute to ICT → P.48	Number of mobile devices using polarizing films Advancing technological innovation for diversified workstyles and improved productivity through the provision of materials for mobile devices		
Material Issues for Future Value Creation	 Advance Innovation → P.49	Patent asset size Expansion of patent asset size	 <p>* Patent asset size is evaluated using the Patent Asset Index™, generated using the patent analysis tool LexisNexis PatentSight®. * 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)</p>	
	 Bolster Competitiveness Leveraging DX → P.53	Digital maturity level Sustained levelling up of digital maturity		
		Percentage of female employees in positions equivalent to manager or above (SC only) Over 10% by FY2022		
		New KPI Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees (SC only)	Over 15% on average over the 5 years between FY2023 and FY2027	Listed starting in FY2023
	 Human Resources DE&I*, Development & Growth, Health → P.55 *Diversity, Equity & Inclusion	Percentage of male employees taking childcare leave (SC only) Over 15% on average over the 5 years between FY2023 and FY2027		
		New KPI 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.(SC only)	Over 90%	Listed starting in FY2023
		Percentage of employees who have taken self-selected training programs, etc. (SC only) 50% or more of all employees by FY2024		FY2022 24.6 %
		Maintain certification as a Health & Productivity Management Outstanding Organization (White 500)(SC only) Maintain certification		Maintained certification over the past 6 years since fiscal 2017 

Foundation for Business Continuation

- Occupational Safety and Health, and Industrial Safety and Disaster Prevention → P.57
- Product Safety and Quality Assurance → P.58

- Respect for Human Rights → P.59
- Cybersecurity → P.60

- Compliance → P.61
- Anti-Corruption → P.62