

# The Material Issues to Be Addressed as Management Priorities and KPI

Sumitomo Chemical had identified the material issues to be addressed as management priorities in FY2018. These material issues were identified through deliberation and approval by management based on overall evaluation of the group's contribution to sustainability. And these were reviewed again in FY2021 based on subsequent changes in social conditions. The material issues are classified into "material issues for sustainable value creation" and "foundation for business continuation". 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.

For details on the process of identifying and reviewing key issues, as well as information on each KPI, please refer to the Sustainability Report.

→ The Material Issues to Be Addressed as Management Priorities (Sustainability Report)

## Material Issues for Sustainable Value Creation

	KPI	Targets	Results	
Material Issues for Social Value Creation	<b>Amount of Group's GHG emissions (Scope1 + 2)</b> <small>* Scope1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes) * Scope2: Indirect emissions from purchases of power and heat from outside the factory</small>	Reduce by 50% by 2030 (vs. FY2013) (4.77 million tons)		
	<b>Contribution to reducing GHG emissions throughout the product life cycle (Battery-related materials)</b>	Contribution to reducing GHG emissions throughout the product life cycle by developing and supplying products		
	<b>Sales revenue of Sumika Sustainable Solutions designated products</b>	Sales revenue of 1,200 billion yen by FY2030		
	<b>Unit energy consumption</b>	Will achieve improvement of 3% or more per each Corporate Business Plan period as a group (FY2021 level as baseline)		
	<b>Number of petrochemical technology licenses</b>	Helping to reduce environmental impact through technology licensing	<b>FY2023 13 licenses</b>	
	<b>The amount of recycled plastics used in manufacturing processes</b>	200k tons/year by 2030		
	<b>Effect of increasing production of animal protein including poultry</b>	Continuously improving the production of animal protein, including poultry, by developing and providing feed additives		
	<b>Agricultural land area where agrosolution products are used</b>	Ensuring the stable supply of food by developing and providing agrosolution products		
	Contribute to the Environment			
Contribute to the Food Supply				

	KPI	Targets	Results	
Material Issues for Social Value Creation	<b>Contribute to Healthcare</b>	<b>Number of people protected by vector control products</b>	Protection from vector-borne diseases through the development and dissemination of vector control products such as Olyset <sup>®</sup> net 	
		<b>Sustainable creation of innovative pharmaceuticals and medical solutions to meet diverse medical needs</b>	Targets and KPIs for Material Issues Click here for details 	
	<b>Contribute to ICT</b>	<b>Number of mobile devices using polarizing films</b>	Advancing technological innovation for diversified workstyles and improved productivity through the provision of materials for mobile devices 	
Material Issues for Future Value Creation	<b>Advance Innovation</b>	<b>Patent asset size</b>	Maintain a high level of patent assets 	
	<b>Bolster Competitiveness Leveraging DX</b>	<b>Digital maturity level</b>	Sustained levelling up of digital maturity 	
	Human Resources	<b>Percentage of employees promoted to managerial positions (equivalent to section manager) filled by female employees (SC only)</b>	Over 15% on average over the 5 years between FY2023 and FY2027	<b>FY2023 29.0%</b>
		<b>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)</b>	Over 90%	<b>FY2023 97.3%</b>
		<b>Percentage of employees who have taken self-selected training programs, etc. (SC only)</b>	50% or more of all employees by FY2024	
		<b>Maintain certification as a Health &amp; Productivity Management Outstanding Organization (White 500) (SC only)</b>	Maintain certification	<b>Maintained certification over the past 7 years since FY2017</b> 

### Foundation for Business Continuation

- Occupational Safety and Health / Industrial Safety and Disaster Prevention  
→ Occupational Safety and Health / Industrial Safety and Disaster Prevention (Sustainability Report)
- Product Safety and Quality Assurance  
→ Product Stewardship / Product Safety / Quality Assurance (Sustainability Report)
- Respect for Human Rights  
→ Respect for Human Rights (Sustainability Report)
- Cybersecurity  
→ Cybersecurity (Sustainability Report)
- Compliance  
→ Compliance (Sustainability Report)
- Anti-Corruption  
→ Anti-Corruption (Sustainability Report)