



# **THE UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2020**

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# About this report

In this second Communication on Progress (COP), Sumitomo Chemical Latin America reinforces its commitments by becoming a signatory to the United Nations Global Compact in 2019. As in the Sumitomo Chemical Group headquarters in Japan, our sustainability strategy is in line with the 10 Principles of the United Nations Global Compact and its commitments, covering the guarantee of human rights and decent working conditions, the promotion of diversity and inclusion, protecting the environment and preventing corruption. We also present the alignment of our strategy to the Sustainable Development Goals (SDGs).

This report presents the new configuration of Sumitomo Chemical Latin America and the Brazilian subsidiary after the acquisition of Nufarm's operations in Latin America in 2020, with the incorporation of the Maracanaú (CE) industrial complex and a significant increase in the number of employees. The report is organized in the following structure: Governance and Sustainability profile and policies; People Management policies and strategies; principles and strategies for Environmental and Supply Chain Management; and Corruption Prevention policies and practices.

In relation to 2019, we advanced in this report with the inclusion of indicators, in addition to describing the process of defining the company's sustainability strategies. Sumitomo Chemical Latin America and the Brazilian subsidiary use the fiscal year as an annual parameter, which in this report covers the period between April 2020 and March 2021.

Given the context of the merger, information, data and indicators, as well as several areas of the company, including the Sustainability Committee, are going through a period of harmonization, review and restructuring. We are also concluding the process of building the sustainability agenda, developing a strategic sustainability action plan that will point out the paths to be followed in the coming years by Sumitomo Chemical Latin America.

The process starts from the alignment of the global materiality matrix to the region, establishing priorities. Thus, new standards for management, including the definition of indicators, targets and the frequency of collection are under review and will be defined and implemented for the next cycle. This planning and restructuring stage will be fundamental to strengthen the consistency of the company's performance and its ability to evolve on issues related to the commitments assumed with the adherence to the UN Global Compact. However, during the adjustment phase, it will not be possible to check the comparability of some data and information.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

# The Ten Principles of the United Nations Global Compact

## Human Rights



Businesses should support and respect the protection of internationally proclaimed human rights.

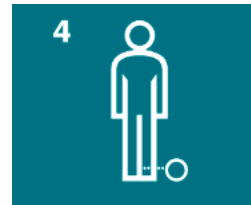


Make sure that they are not complicit in human rights abuses.

## Labour



Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



The elimination of all forms of forced and compulsory labour



The effective abolition of child labour.



The elimination of discrimination in respect of employment and occupation.

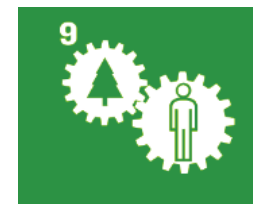
## Environment



Businesses should support a precautionary approach to environmental challenges.



Undertake initiatives to promote greater environmental responsibility.



Encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption



Businesses should work against corruption in all its forms, including extortion and bribery.

# Leadership Message

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2020 was a double challenge for Sumitomo Chemical Latin America. In the midst of the Covid-19 pandemic, the acquisition of the Australian company Nufarm in Latin America was completed. Thus, Sumitomo Chemical started operating all offices in the region, including the industrial complex in Maracanaú, Ceará. Thus, Sumitomo Chemical Latin America expanded its operations in the market and went from around 160 to more than 800 employees.

The merger started in April, at the beginning of the new coronavirus pandemic in Brazil, which made the task of integrating people, processes, policies and cultures even more complex. However, with the actions implemented, we managed to maintain special and permanent care for people, who lived the worrying moments of the pandemic, while undergoing major transformations in the company. It was also the moment to support communities in various LATAM regions, with the organization of distribution of basic food baskets, donation of alcohol gel and other actions for people affected by the crisis caused by the pandemic.

We also took the opportunity to improve our sustainability governance with the restructuring of our Sustainability Committee, which now has 16 people from different areas of the company and from several countries in Latin America, in addition to executive leadership exercising the role of sponsors. The Committee was responsible for developing a strategic sustainability plan for Sumitomo Chemical Latin America, to be implemented throughout 2021. Among our priority themes are diversity and inclusion, for which goals have been set, for example, to increase the number of women in the business area. We also want to develop specific actions to have people with different points of view, from different academic backgrounds and from communities or ethnic groups that are generally underrepresented.

One of the pillars of our Sustainability Committee is dedicated to the UN Global Compact, which demonstrates our commitment to develop strategies and actions in line with the 10 Principles of the Global Compact, involving the guarantee of human rights and decent working conditions, the promotion of diversity and inclusion, protection of the environment and prevention of corruption.

The Brazilian subsidiary of Sumitomo Chemical joined the Global Compact in 2019. In this Communication on Progress report, we reaffirm our commitment to the principles of the Global Compact and to the goals of the UN Sustainable Development Goals (SDGs), presenting how the chemical industry can contribute to improving the quality of life and reducing environmental impacts.

We expect strong growth in Latin America in the coming years, with the expansion of the Maracanaú industrial complex and the launch of new products with less environmental impact. Our performance will continue to be guided by the Sumitomo Chemical Business Principles, based on the concept that business should benefit the company, the nation and society at the same time, as well as strengthening our mission to promote well-being, offering sustainable solutions for the production of food and health in society.



**Juan Ferreira -**  
**President of Sumitomo Chemical Latin America**

# Who we are and how we operate



# Sumitomo Chemical in Brazil and worldwide

Sumitomo Chemical was founded in Japan in 1913, with two main objectives: to eliminate air pollution and to support the growth of local agricultural production. At the beginning of its operations, Sumitomo Chemical manufactured fertilizers from the sulfur dioxide present in the smoke emitted by the smelting activities of the copper mine in Niihama. In this way, it transformed a pollutant into an input to improve agricultural productivity in the surrounding region. The company currently has headquarters in Tokyo and Osaka, with 218 subsidiaries and affiliates and around 33,000 employees worldwide. Its annual turnover in 2020 was more than \$ 20 billion. Globally, Sumitomo Chemical operates in the following sectors (with the respective sector participation in the business):

- ♦ Petrochemicals and plastics (29%);
- ♦ Pharmaceutical products (23%);
- ♦ Chemicals related to Information Technology (18%);
- ♦ Crop Health and Protection (16%);
- ♦ Energy and functional materials (11%).

In Brazil, Sumitomo Chemical has been present since 1975. In 2011, Sumitomo Chemical Latin America (SCLA) was founded, headquartered in São Paulo, housing all businesses in this sector in the territory of Latin America.

In 2020, SCLA acquired South American operations from Australian company Nufarm - one of the world leaders in crop protection products. Among these operations is the Maracanaú industrial complex, in Ceará. After the acquisition, Sumitomo Chemical Latin America went from around 160 to more than 800 employees. The billing data will be consolidated in 2021, after the completion of the companies' merger process.

Since 2016, Sumitomo Chemical Latin America has maintained the Latin American Research Center (LARC) in the city of Mogi Mirim, in São Paulo, where research, the development and evaluation of crop protection products are carried out.

# On our premises

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Industrial  
Complex



LARC



Distribution  
Centers

The acquisition is part of Sumitomo Chemical's strategy of increasing its access to the market , especially in Brazil, one of the world's great agribusiness powers and the world's largest market for crop protection products. With the acquisition, Sumitomo Chemical strengthens its position as a major pesticide provider, in addition to continuing to provide excellent services in its Animal Nutrition and Environmental Health businesses.

# Business segments

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In Latin America, Sumitomo Chemical Latin America (SCLA) operates in three business divisions: Solutions for Agriculture, Environmental Health and Animal Nutrition.

## Agriculture Solutions

Sumitomo Chemical's crop and pasture protection division develops, produces and markets crop protection products with a focus on sustainability issues and crop productivity, guided by the purpose of ensuring safe and quality food for the growing world population. Our portfolio includes herbicides, fungicides, insecticides, biological products (called biorationals), adjuvants, growth regulators and seed treatment products, which protect crops from sowing to post-harvest.



# Business segments

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## Biorationals and soil health

Even though the vast majority of crop protection products are based on chemical substances, the use of biorationals - insecticides based on natural substances that control pests using biological agents - is growing more and more. Globally, Sumitomo Chemical invests in researching both chemicals with less environmental impact and biorationals, making it a hybrid company.

Sumitomo Chemical has been developing biorationals for over fifty years and is considered a world leader in this type of product. We forecast a 10% increase in the market for agricultural pesticides for the bio-rational line in the coming years, which intensified investments and the spread of the concept of this line, based on the sustainability of the field and crops.

Another important concept in crop protection is soil health. A major current problem is soil degradation, because, in compacted and poor quality soil, plants grow poorly and crop productivity is low. It is possible to recover the health of the soil with the help of nature thanks to mycorrhizae, or the association of certain fungi with the roots of plants. When these mycorrhizal fungi are present, the roots develop better and grow more, spreading over a larger area and allowing the plant to absorb more food from the soil. Thus, the plant grows more and the crop has higher productivity. In addition, as more roots spread, the soil becomes less compact and more aerated.

When a producer sprays a product with mycorrhizal fungi on a crop, that product stays in the soil for several years, acting on the roots of the plants during several harvests. Thus, after a few years, the soil will be recovered, providing greater crop productivity.



# Business segments

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## Environmental Health

Committed to innovation and safety, Sumitomo Chemical's Environmental Health division offers products for the control of urban pests in the home environment (Custom Solutions), for the control of urban pests in the professional market and for public health, thus contributing to the better quality of life.

**Custom Solutions** – develops and markets raw materials and products formulated for the domestic insecticide industry (aerosols and repellents, for example), which target insects such as cockroaches, flies, mosquitoes, scorpions and spiders. Since 1950, Sumitomo Chemical has been a leader in the pyrethroid insecticide industry, derived from natural pyrethrin (a substance found in chrysanthemums), which kills insects but is very little toxic to humans. We currently market around 20 pyrethroid insecticides in more than 80 countries.

**Professional market** – innovative solutions and products for companies that perform professional urban pest control services, such as cockroaches, ants and termites, with a focus on commercial environments, warehouses, transport and industries, among others.

**Public Health** – we are committed to the development of innovative technologies and solutions aimed at reducing diseases such as malaria, dengue, Zika, chikungunya and yellow fever. Our product line includes biological and chemical larvicides, adulticides and mosquito nets incorporated for use in the control of vectors that cause these diseases. Our portfolio houses one of the company's most emblematic products - the Olyset® Net mosquito net, which uses controlled insecticide release technology to repel, kill and prevent the presence of malaria-causing mosquitoes for up to five years. Since 2001, when it was recommended by the World Health Organization, this network has been protecting almost 800 million people in regions with a high incidence of the disease.



# Business segments

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## Animal Nutrition

Division dedicated to the manufacture and sale of methionine, an additive used in animal feed, especially poultry and pigs. As the content of methionine in natural ingredients is low, it is necessary to add synthetic methionine to the feed (usually made from corn or soy) as a constituent of body protein, development of digestive tract and growth performance. Sumitomo Chemical has been producing methionine since 1966. In recent years, with the increase in animal protein consumption, especially in emerging countries, the demand for methionine has been increasing, with growth rates between 4% and 6% per year.



# Our way of being and acting

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Sumitomo Chemical's corporate philosophy, applied globally, is based on the Business Principles and consists of:

- ◆ Business Philosophy, which integrates the company's principles, mission and values;
- ◆ Basic principles for the promotion of sustainability, which integrates its concepts and commitments with the promotion of sustainability;
- ◆ Sumitomo Chemical Charter of Business Conduct, which sets out the code of behavior that underpins the company's compliance system.

Our business philosophy guides the identity and guides the company's performance:

- ◆ We are committed to creating value based on innovation;
- ◆ We work to contribute to society through our business activities;
- ◆ We have developed a vibrant corporate culture and remain a company that society can rely on.

Sumitomo Chemical's Business Principles, inspired by the traditional Japanese concept of “Jiri-Rita Koushi-Ichinyo”, proposes harmony between the individual, the nation and society. Applied to Sumitomo Chemical's business, this concept means that business must benefit the Company (jiri) and, at the same time, serve the interests of the nation and society (Rita). This teaching emphasizes the importance of maintaining harmony between the interests of a company and those of the public (koushi-ichinyo).



# Our way of being and acting

## Business Principles - the Sumitomo Chemical Spirit

Sumitomo Chemical must achieve prosperity based on solid foundations, placing paramount importance on integrity and good management in the conduct of its business.

Sumitomo Chemical's business interest must always be in harmony with the public interest; Sumitomo Chemical must adapt to good times and bad, but never engage in any immoral activity.

## Mission

Promote well-being, offering **sustainable solutions** for food production and the health of **society**.

## Corporate Vision

**Sustainably** achieve strong growth and be perceived as one of the leading global **innovation** companies.

Find solutions to current challenges, such as energy and food security, and contribute to the **sustainable development** of the global community.

Continuously increase the **value** of the company

## Corporate Values

### Sentiment



**Trust** - Have complete confidence in the skills and methods of others and the ability to see things entirely under any circumstances.

**Empathy** - Have respect for others' ideas, opinions and skills and willingness to help them.

**Passion** - Have a positive attitude and the desire for continuous, focus on work and motivate and inspire people to act.

### Action



**Initiative** - Make quick decisions on difficult issues and work persistently until problems are resolved.

**Respect** - Giving and gaining respect through teamwork, mutual understanding and assistance.

**Innovation** - Being a person who has initiative, who avoids complacency and strives to innovate without fear of failure.

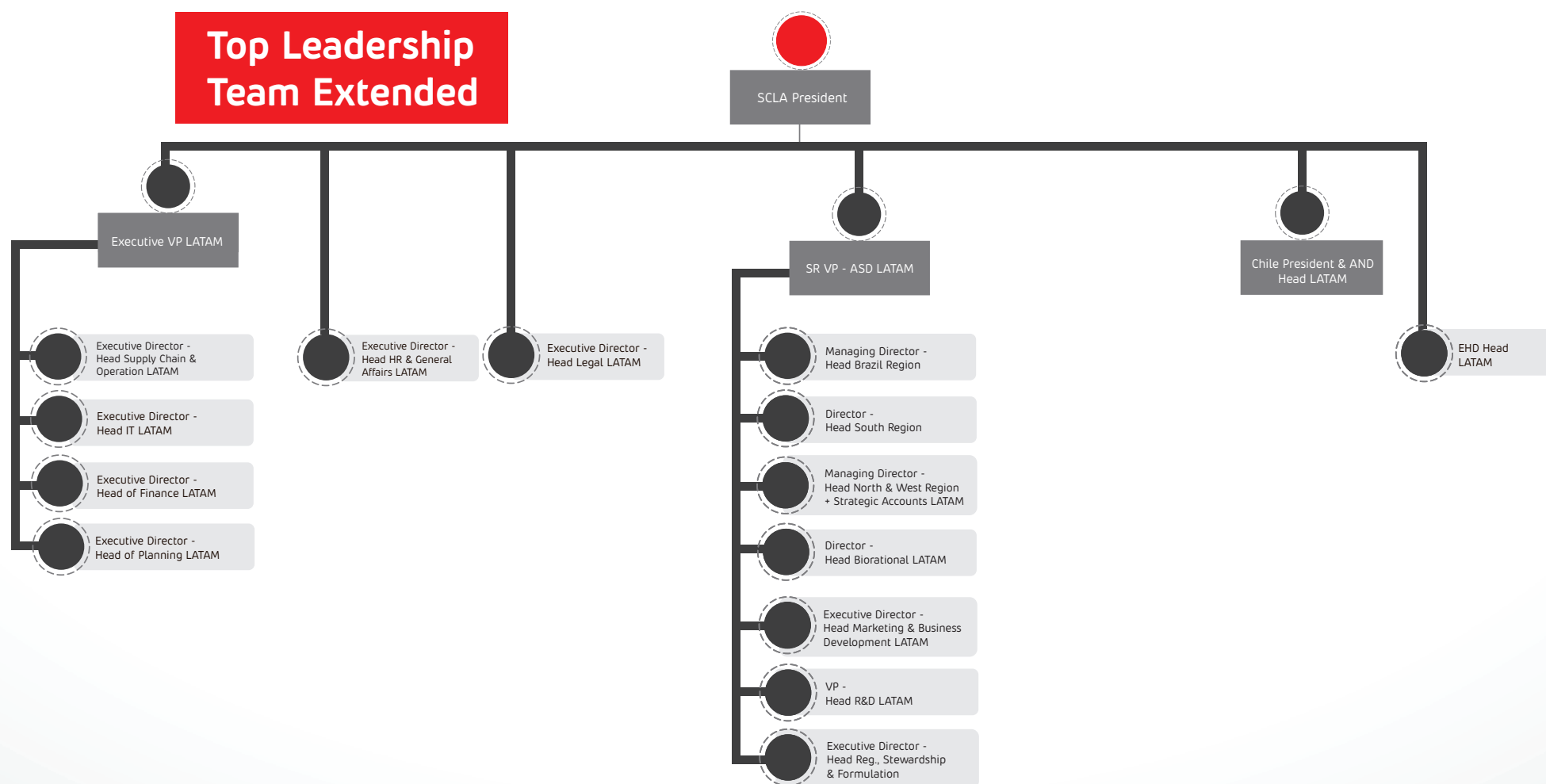
# *Governance and Sustainability*

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Sumitomo Chemical Brasil is one of the subsidiaries that integrates Sumitomo Chemical Latin America (SCLA), together with Argentina, Chile and Colombia. After the acquisition, SCLA's governance structure was defined according to the diagram:

*“Promote well-being by providing sustainable solutions for food production and the health of society”*

## Governance of Sumitomo Chemical Latin America



## Compliance policies and Code of Conduct

We have as a principle the integrity and the commitment to keep our interests always in harmony with the public and society interests. To ensure legal and ethical conduct in all instances of our business, we have a global Compliance policy, following the highest standards of ethical behavior. The policy establishes an executive committee responsible for the topic in each region and provides a set of appropriate tools to prevent and treat any non-conformities based on local and international laws, including an internal ombudsman system.

The Code of Ethics, presented to all employees at the time of integration, defines Sumitomo Chemical's commitment to integrity and ethics. The document addresses the prevention of harassment and discrimination, as well as conflicts of interest in conducting business in practice, among other topics.

After the acquisition, Sumitomo Chemical's policies and procedures were revised to include the company's new structure. All policies and codes, described below, are available on the internal corporate network, accessible to all employees:

- ◆ Code of Ethics;
- ◆ Anti-Bribery Policy;
- ◆ Anti-trust Policy;
- ◆ Due Diligence Policy.



Sumitomo Chemical Latin America (SCLA) is committed to promoting sustainability, acting in accordance with principles established by our headquarters and our business philosophy. Our actions are guided by SCLA's Sustainability Policy.

## SCLA Sustainability Policy

Reaffirming its commitment to its mission of promoting well-being, offering sustainable solutions for food production and the health of society, Sumitomo Chemical Latin America adopts a Sustainability Policy.

This policy aims to promote the concept of sustainability in line with business strategies, making Sumitomo Chemical in Latin America recognized as a company that generates profits and, at the same time, respects people and the planet, supporting economic development and social, building a brand that is known to be sustainable while delivering value to its various stakeholders.

To promote this theme, the company adopts six global principles:

**Principle 1 - Value:** Creating economic value that helps create social value (promoting our creed: "Our business must benefit society in general, not just our own interests (Jiri-Rita Koushi-Ichinyo)").

**Principle 2 - Contribution:** Contribution to the solution of issues that are globally vital, such as the establishment of a diverse and inclusive society and the fulfillment of the Sustainable Development Goals (SDGs), as well as the conduct of business in accordance with accepted universal standards and principles, including those concerning human rights, work, security, the environment and the fight against corruption.

**Principle 3 - Partnership:** Active participation in global initiatives - play a leading role in multilateral initiatives through active participation in various national and international partnerships with organizations, governments, companies, associations, universities, academic circles, the community, etc.

**Principle 4 - Collaboration:** Work closely with the various stakeholders, promoting the spontaneous dissemination of information and open dialogue on the objectives of our sustainability promotion initiatives and the progress of their implementation.

**Principle 5 - Commitment:** Commitment from top management and everyone's participation to promote sustainability with a strong shared sense of mission and great enthusiasm.

**Principle 6 - Governance:** Strengthening corporate governance, evaluating, periodically reviewing and improving our activities on a continuous and proactive basis to promote sustainability.

To ensure the applicability of this policy, we also have a Sustainability Committee, formed by a multidisciplinary team from different areas and hierarchical levels responsible for decision-making and sustainability strategy.

We thus affirm the certainty that we are collaborating with a more sustainable future for the world.



Juan Ferreira -  
SCLA President

## Priority topics

In 2019, Sumitomo Chemical globally launched a triennial corporate business plan. In line with its objectives, seven material issues were defined that reflect the challenges to achieve the commitment to create economic and social value in a sustainable manner, from the business.

Materiality seeks to reflect the company's values, with the practical application of the concept of balance between the benefit of its own interests and the interests of society. The materiality study analyzed structure, policies, processes, business activities, market practices, relationships with other companies and with society, among other aspects. The joint evaluation of these sources allowed to identify challenges and opportunities for Sumitomo Chemical in different aspects.

The seven material issues will serve as guides for the development of the company's actions and consider two perspectives:

- ◆ The creation of social value, which involves initiatives directly related to Sumitomo Chemical's current businesses;
- ◆ And the creation of future value, which addresses initiatives oriented to the Company's business prospects, in the coming years.

### Creating social value

#### Contribute to reduce the environmental impact

- Mitigate climate change;
- Contribute through products and technology;
- Efficient use of energy and resources;
- Contribute to recycling plastic.

#### Contribute to resolve food issues

#### Contribute to resolve health issues

#### Contribution to ICT innovation

### Creating future value

#### Promote technological innovation and research and development

#### Initiatives for digital innovation

#### Promote diversity and inclusion

### Foundation for Business Continuation

- Health and safety, occupational, industrial and disaster prevention;
- Security and management quality of products;
- Respect for rights humans;
- Promotion of employees' well-being;
- Compliance; • Anti-corruption.

From the materiality study, four priority areas were defined to accelerate the development of the next generation of businesses at Sumitomo Chemical worldwide:

- ◆ Health;
- ◆ Environment;
- ◆ Food & Agriculture;
- ◆ Information and communication technologies (ICT).

In addition to material themes, the company defines themes that are considered fundamental for business continuity:

- ◆ Occupational health and safety, industrial safety and disaster prevention;
- ◆ Compliance;
- ◆ Health Care;
- ◆ Respect for human rights;
- ◆ Product management, safety and quality;
- ◆ Anti-corruption.



## SCLA Sustainability and Sustainability Policy Committee

In 2018, the Sustainability Committee was created at SCLA with the following mission: “to make SCLA recognized as a company that generates profit through products and practices that respect people and the planet in all its forms and relationships”. The Committee was designed to disseminate Sumitomo Chemical's culture and commitments to the global corporate social and environmental responsibility agenda.

In 2019, after the Brazilian subsidiary joined the Global Compact, the Sustainability Committee also became responsible for developing actions related to the company's commitment to the ten principles recommended by the Compact. To this end, the members of the Sumitomo Chemical Sustainability Committee have joined four of the seven thematic platforms organized by the Compact Network in the country. They are: Action for the SDGs (Sustainable Development Objective), Action for Sustainable Agriculture, Action for Human Rights and Action against Corruption.

With the acquisition of Nufarm, the Committee was restructured and remained under the management of the Human Resources Department, in SCLA's Sustainability Management. New registrations were opened to employees interested in participating, who could be from any area and from any hierarchical level of the company. 16 members were selected, which were divided by pillars, with each pillar having one or two executives as sponsors.



 **SUMITOMO CHEMICAL**  
Latin America  
Programa de Sustentabilidade

## Pillars of the Sustainability Committee



Throughout 2020, one of the main tasks of the Sustainability theme was the recomposition of the Committee and the integration of the practices of the two companies, a process that went smoothly, as the two companies had well-established sustainability practices. After the integration, the Committee worked on the creation of a sustainability policy and strategy for Latin America, to be implemented in the fiscal year 2021 (from April).

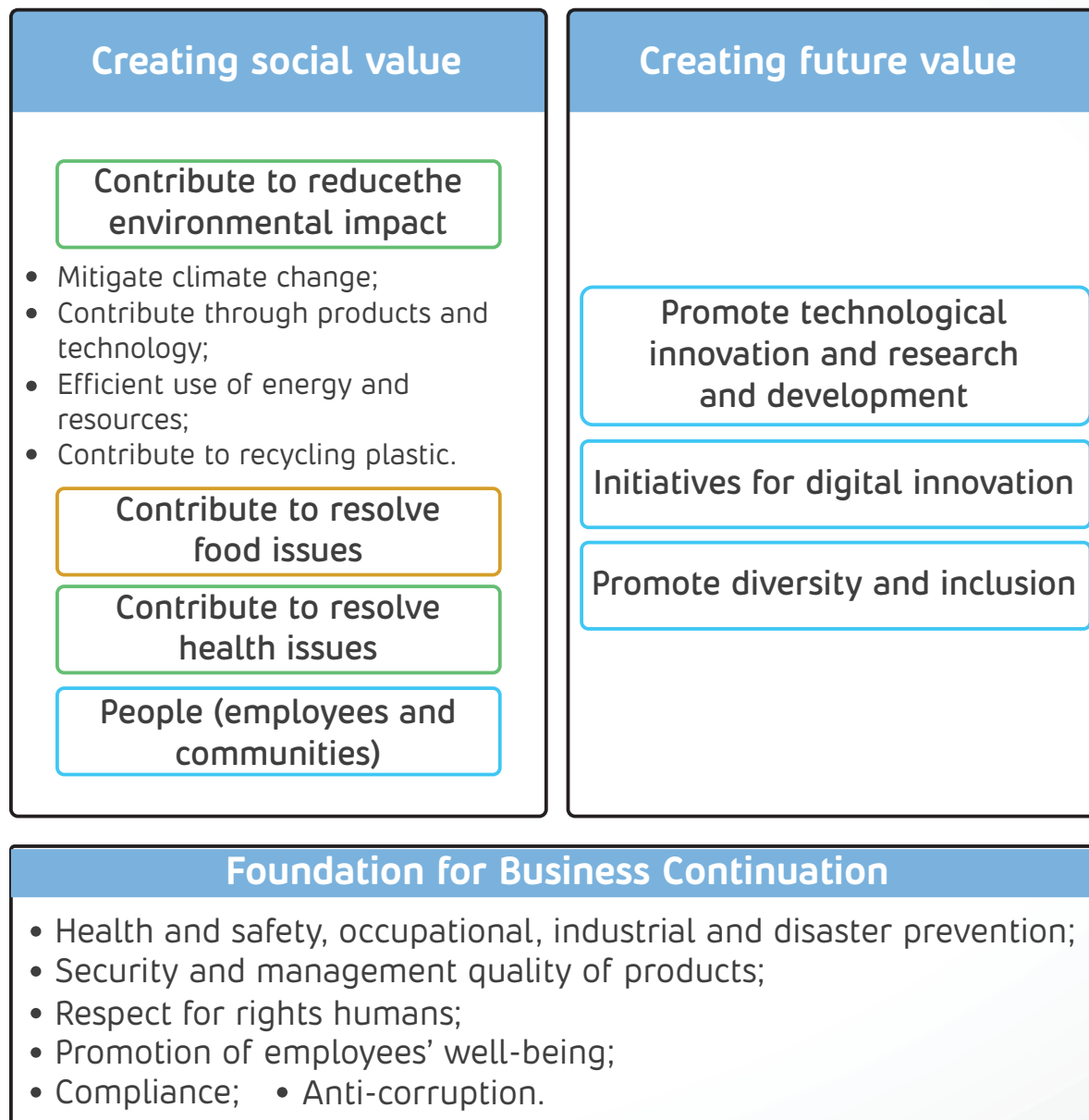
Material topics were also defined, that is, the priority issues that will be addressed in the sustainability strategy of SCLA. Within the scope of Sumitomo Chemical's global materiality, the Committee prioritized themes that are more relevant and appropriate to the region's reality.

## SCLA material topics

The basis for the choice of SCLA material themes were the priority themes for Sumitomo Chemical, in Japan, and those considered essential for the continuity of the business.

Given the context of the acquisition, which creates a new company, the socioeconomic impacts caused by the pandemic and the appreciation of national, regional and global action to generate community value, the theme People was included, with the sub-themes Human Resources Management, Social Investment and Volunteering.

The topics suggested as priorities for the SCLA were aligned with the SDGs and the Pillars of the Sustainability Committee.



## Immersion in sustainability

This year's global project "JiriRita", which is carried out annually for all Sumitomo Chemical employees in the world, is a kind of online gamification developed to disseminate knowledge about sustainability within the organization. In the first phase, the employee reads materials and answers questions on topics such as climate change, the SDGs Sumitomo Chemical's engagement with the UN Global Compact and sustainability practices. As you get the questions right, you accumulate points and climb a global ranking of knowledge about sustainability. In the second part, the employee posts ideas for everyday actions that impact sustainability, as well as suggests ideas for the company to put into practice. In the form of recreational competition, the project promotes the training and engagement of participants.

At SCLA, we encourage employees to participate, as we consider it a great way to conduct Sumitomo Chemical's sustainability and corporate culture training. This aspect was important, above all, during the integration of the people who became part of Sumitomo Chemical. This project lasts four months and, among the more than 200 subsidiaries, SCLA is often among the top three in the ranking for participation and knowledge about sustainability. Our goal is to maintain this position in the ranking every year.

In addition, the sustainability committee has an agenda of meetings that cover everything from updates and relevant pillar themes to training on issues related to sustainability, SDGs and the UN Global Compact.

## Global Project JIRI RITA



# Social responsibility

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Through the Fórmula do Bem (Formula of Good) program, SCLA works on several actions with the objective of engaging employees in social causes. Directly aligned with the 17 SDGs, campaigns are carried out to donate food, clothing, toys, electronic equipment, among others, in each country in our region, seeking to benefit local communities. We have also established partnerships with institutions to support education, professional training, art and sport in socially and economically vulnerable communities.

In 2020, we continued the social projects previously supported by the two companies. For example, in the industrial complex of Maracanaú, in Ceará, a municipality with 232 thousand inhabitants, programs were carried out aimed at the surrounding community, which mainly involve young people and have the support of the municipal departments of Youth and Sports.

One of the main projects of 2020 would promote free martial arts classes for young people in the community, after the renovation of a space for these classes. However, after the space opened in March, the project was interrupted by the Covid-19 pandemic. There was, then, a mobilization to help the community to go through the crisis caused by the pandemic.



**FÓRMULA DO BEM**  
**FORMULA DEL BIEN**

 SUMITOMO CHEMICAL

# Social responsibility

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## Encouraging social entrepreneurship

Sumitomo Chemical Latin America is a partner of Enactus, an international non-profit organization present in 37 countries, which works in a network connecting university students, academics and business leaders. The projects developed by the students are aligned with the UN SDGs (Sustainable Development Goals) and are geared towards social entrepreneurship, seeking to enable people to improve their living conditions in the economic, social and environmental aspects.

In 2020, the company promoted the Sumitomo Chemical Award for Awareness and Ethics in Agribusiness. Ten scholarships were distributed to teams of students from all over Brazil to develop projects focused on sustainable agriculture. In December, a panel of appraisers, made up of directors from Sumitomo Chemical and other Enactus supporters, elected the three winners, who received cash prizes, to invest in their projects.



# Social responsibility

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Institutions and projects supported by Sumitomo Chemical Latin America in 2020



**Gel Alcohol distribution**  
**10 institutions in SP**



**Solidarity Race**  
**Coração de Mãe Project**



**TIC - International Festival**  
**Children's Theater**



**Water in beans project**  
**Community**  
**Heliópolis in SP**



**Mini Kindness Project**  
**NGO Argilando**



**Good Easter**  
**Communities in**  
**All country**



**Cooperate Day**  
**Communities in**  
**Goiás**



**Live Solidarity**  
**Amigo da Criança**  
**(PAC) Project**

# Social responsibility

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## Aid during the pandemic

Starting in March, we acted to minimize the impact of the Covid-19 pandemic on the communities near our facilities. In Mogi Mirim, headquarters of our Research Center (LARC), we partnered with the Luis de Queiroz School of Agriculture (Esalq-USP) to produce gel alcohol, which was distributed to the community.

In Maracanaú, the pandemic caused the interruption of social and sports projects supported by Sumitomo Chemical Latin America. A task force was then created to help people impacted by the pandemic, who had lost their jobs or sources of income. Together with the New East Residents' Association, we have gathered resources to buy basic food baskets at local businesses. So, at the same time that we helped people, we collaborated with the survival of these establishments. Other activities were also carried out in the other countries of Sumitomo Chemical Latin America.



Sumitomo Chemical seeks to continuously improve and improve its risk assessment and management system. The process aims to detect, at an early stage, risks that are likely to interfere with the achievement of business objectives. It also allows the company to act on the identified risks, in order to prevent or minimize possible damage to society and the company.

As part of its activities, each of the group's organizations acts in the proper management of the risks associated with its business operations. At SCLA, we have Accident, Image and Business Risk Management. After the acquisition, this process is being integrated and will be completed in 2021, with the implementation of procedures and training of employees.

## Priority risk assessment

Annually, around 120 relevant organizations that are part of the Sumitomo Chemical Group and Sumitomo Chemical, in the Japanese headquarters and its subsidiaries, carry out a risk assessment process. The probability of occurrence and the potential impact of various risks related to business and operations are analyzed. The analysis results are then integrated to create a priority risk map for the entire group.

Based on the map, the Internal Control Committee identifies priority risks for which action plans are prepared, disseminated in corporate, regional and local structures.

Reports on the progress of actions are also regularly drawn up, indicating the necessary steps to better manage the risks identified.

Risks assessed for the composition of the map

- ◆ Accidents and disaster risk;
- ◆ Business risks;
- ◆ Digital security (IT) risks;
- ◆ Political and social risks;
- ◆ Financial and tax risks;
- ◆ Labor and people management risks;
- ◆ Compliance and legislation risks.



# *Our commitments to the UN Global Compact*

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Sumitomo Chemical has a strong commitment to the Sustainable Development Goals (SDGs) and the ten principles of the UN Global Compact, both UN initiatives. In Brazil, the company became a signatory to the commitment in 2019. The approach in the Brazilian subsidiary considers the characteristics of the company and its sectors of activity in the country and in Latin America.

In 2020, the ten principles of the Global Compact and the 17 SDGs became the pillars of action of the Sustainability Committee. Thus, the guidelines defined in these commitments are important drivers for SCLA's sustainability strategy.

In 2021, we will study the adequacy of indicators to monitor and evaluate the main actions in the areas established by the UN Global Compact: Human Rights, Labor, Environment and Anti-Corruption Practices.

Chapter	UN Global Compact Principles	Objectives of Sustainable Development
Who we are and how we operate		     
People Management, Human Rights and Work	     	    
Environmental Management	  	     
Prevention of corruption		 

# People Management, Human Rights and Work



Sumitomo Chemical's relationships and people management are based on its philosophy and corporate principles, which reinforce the commitment to engagement and dialogue with employees, customers and business partners. We consider it a priority for business continuity to guarantee a healthy, safe, diverse and inclusive work environment. SCLA's mission is to promote the well-being of society, so it is concerned with ensuring a healthy life and promoting well-being internally. The Human Resources & General Affairs area operates strategically on the pillars of employee experience, talent management, workforce management, climate, communication and culture. With this, it creates conditions for decent work, contributing to the growth of a fundamental sector for the country's economy.

In 2021, our main objective is to continue the integration process that started in April 2020, after the acquisition. In addition to people and processes, we also want to integrate cultures, harmonizing differences and complementarities and establishing the path of this new organization. Based on the establishment of the sustainability strategy, which will be implemented by the Sustainability Committee, we will define the priority indicators that will be monitored in the people management area.

## Sumitomo Chemical Brazil employee profile

Diversity by position and gender in Brazil	Direction	Management	Coordination	Technician/ Specialist	Analyst	Assistant/ Auxiliary	Grand total
Quantity	23	77	53	209	120	169	651
By gender							
Woman	22%	14%	36%	11%	61%	20%	25%
Men	78%	86%	64%	89%	39%	80%	75%
By age							
Up to 29 years	0	0%	9%	18%	28%	37%	21%
30 to 49 years	39%	78%	89%	77%	64%	56%	69%
50 years or +	61%	22%	2%	5%	8%	7%	10%
By breed							
Yellow		3%		2%			1%
White	17%	42%	32%	27%	19%	9%	23%
Indigenous							61%
Brown	39%	31%	57%	58%	64%	79%	0%
Black				0%			0%
Uninformed	43%	25%	11%	13%	17%	10%	15%

## Integration process in times of social isolation

The process of integrating two companies is always complex, as it means integrating people, processes, policies and cultures. When it happens in the middle of a pandemic, it requires facing several additional obstacles, such as the impossibility of interaction and coexistence, which facilitates the exchange of ideas and alignment. After the acquisition, we went from around 160 to more than 800 employees. The operations at the industrial complex have not changed, only additional protocols for the prevention of Covid-19 have been implemented, restricting the movement of people and increasing the distance between them. In the offices, however, employees stayed in the home office throughout the year.

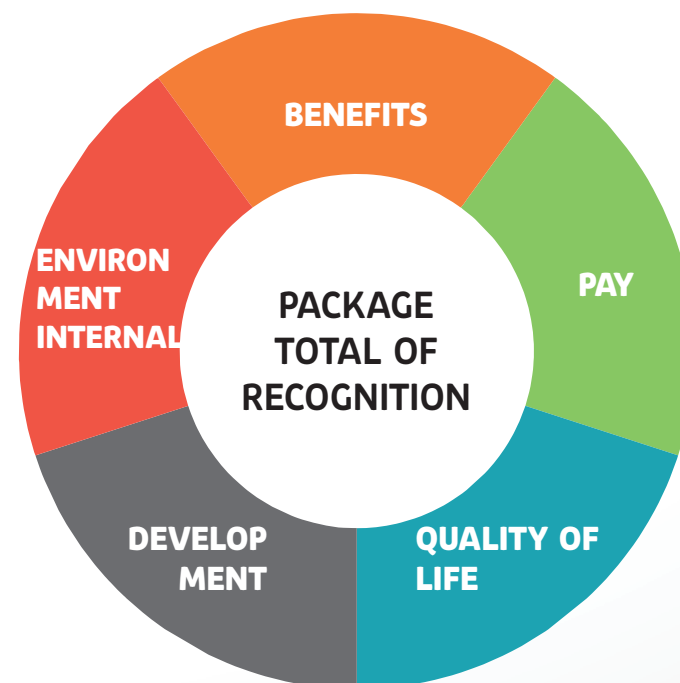
Our integration work was intense with the leadership, since the leadership model of “balancing people and results” from Sumitomo Chemical Latin America needed to be disseminated and known to all new leaders. Likewise, it was important to ensure that all new members knew about the mission of promoting well-being to society, as well as the fact that sustainability has been part of Sumitomo Chemical's values since its foundation. As they are in the home office, the new employees participated in virtual sessions. In these sessions, we also train leaders in change management, reinforcing the need for them to work on the emotional aspects and reinforce the bonds with their teams.

During this period, we conducted several internal surveys to find out what people's concerns are and their levels of well-being. It was clear that, in addition to having to adapt to the new structures and processes, everyone was apprehensive and shaken by the impacts of the Covid-19 pandemic in the country. Thus, strengthening the bonds in the company and

providing the greatest possible well-being to employees was a constant search for leaders in 2020. Virtual relaxation sessions and lectures by psychologists were some of the important actions to offer well-being to our employees.

### Pay and Benefits

The remuneration and benefits policies were revised after the acquisition, in a process guided by our management philosophy that balances care for people and business results. In this integration, the objective was to seek to maintain the best practices of each company and align them with market practices. In this way, we were able to continue offering attractive practices to our employees. As a result of the integration, we created the Total Recognition Package, in which we gather and present to employees all the benefits and policies, in line with our policy of promoting well-being.



### Performance evaluation and training

The company has a Performance Management system with the main objectives of aligning people with the organizational strategy, recognizing and valuing efficient results. It also seeks to train talents, by identifying and developing high-potential professionals, as well as acting on gaps in technical and behavioral skills.

Gaps are treated based on a structured training, education and capacity building program. Mapping potential successors to the organization's strategic positions is also considered a priority.

As of 2021, SCLA's corporate university will be launched, unifying training and strengthening internal development. In addition to themes common to all, such as innovation and sustainability, employees will have specific training within their area and objectives, so that they are prepared for the organization's current and future challenges.



## Diversity and inclusion

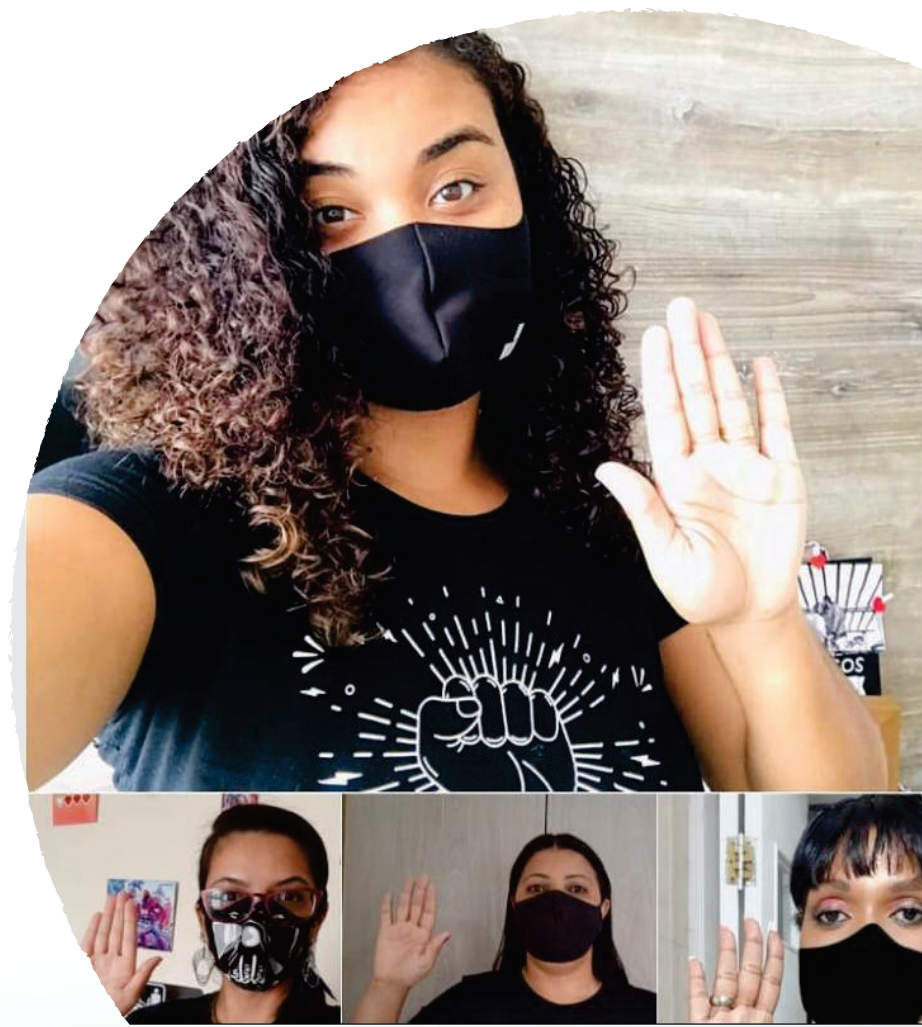
Promoting diversity and inclusion is one of the priority themes in SCLA's strategic sustainability planning. It is also one of the seven pillars of action of the Sustainability Committee.

One of the first actions to promote diversity was defined in 2019 by Sumitomo Chemical, which established as a goal for Latin America, including operations in Brazil, to increase the number of women in its staff in the business areas. The goal targets to have, by 2025, at least 30% of the leadership positions held by women.

The construction of the goal considered a demographic analysis and the internal evaluation of jobs and positions. To achieve the goal, leaders from business areas and HR teams will reinforce their performance and focus on choosing professionals in view of the opportunities offered in the company. The commitment assumed with the goal of diversity is in line with the principles and philosophy of the Sumitomo Chemical group, which has prioritized, since its foundation, the harmony between its interests and those of society.

In 2019, the proportion of women in leadership positions at Sumitomo Chemical Brasil was 26%; after the acquisition it dropped to 24%. This occurred not only due to the increase in the number of employees (from 160 to more than 800), but also due to the change in the profile of the Brazilian subsidiary with the incorporation of the Maracanaú industrial complex and B2C commercial teams.

Within the planning for 2021 there is, in addition to research on the theme, the implementation and reinforcement of a policy focused on Diversity & Inclusion.



# Human Rights

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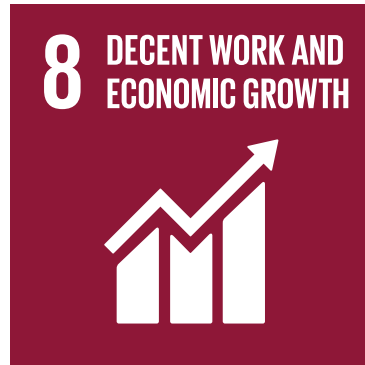
Promoting human rights and diversity and inclusion are guidelines that form part of the corporate charter of “Basic principles to promote sustainability” of the Sumitomo Chemical Group. These themes are considered a priority in the sustainability agenda, defined based on the analysis of materiality.

The company's governance structure and corporate policies apply the principles and institutional guidelines, ratifying the company's commitment to responsible practices internally and in its business chain, globally and locally.

In this context, the company works to guarantee human rights through transparent management, both internally and externally. During the integration of new employees, the philosophy, guidelines, codes and policies that reinforce the fight against discriminatory practices and respect for human rights in all activities of Sumitomo Chemical are presented.

There is a Sumitomo Chemical Group Human Rights Policy established in 2019.

[https://www.sumitomochem.co.jp/english/sustainability/society/human\\_rights/](https://www.sumitomochem.co.jp/english/sustainability/society/human_rights/)



## Rights and freedom of association

Sumitomo Chemical develops its activities in accordance with the class entities and unions of the sectors in which it operates, and follows the provisions of collective covenants and agreements.

The company's premise is to ensure compliance with the agreements made between employees 'and companies' unions in all of its business units in Brazil. The relations between the company and its employees are guided by transparent dialogue and listening.



# Environmental Management



Since its foundation in the beginning of the century, in Japan, Sumitomo Chemical is conscious about environmental issues. We understand that minimizing the impacts of human action, preserving environmental areas, using natural resources consciously and managing the risks of our business are vital practices for the continuity of our operations and for the fulfillment of our commitment to environmental responsibility. This commitment means not only meeting and, whenever possible, overcoming the demands of the legislation, but also mitigating impacts and collaborating for the recovery and conservation of environmental areas.

### Responsible care: responsible action

Sumitomo Chemical is committed to conducting the business in accordance with regulations and objectives related to safety, health, the environment and product quality. These guidelines are based on the principles of Responsible Care, a global commitment by the chemical industry to ensure the safe management of chemicals across the value chain, in addition to promoting sustainable development.

After the acquisition, SCLA started to manage the Maracanaú industrial complex, implementing its sustainability policies and practices. No major changes were necessary, as in addition to the chemical sector being regulated by very comprehensive legislation, the company acquired by Sumitomo Chemical had expressive policies on environmental, health and safety management.

Management within the principles of responsible performance is based on the following pillars:

- ◆ Safety and health;
- ◆ Environment Protection
- ◆ Quality of products and processes;
- ◆ product liability during and after use (stewardship).

Thus, we seek to add value to the business and also to customers and the community. In these pillars, we use indicators and targets to measure and manage the processes, our main objective being a zero occurrence index, whether in safety, quality or environmental issues.

## RESPONSIBLE CARE



## Global Responsible Care Principles

Responsible Care is a unified commitment of the global chemical industry to ensure the safe management of chemicals throughout their life cycle, while promoting their role in improving the quality of life and contributing to sustainable development. Major chemical industries in the world are signatories of Responsible Care, committing themselves to the following principles:

### A corporate leadership culture

that proactively supports the safe management of chemicals through the global Responsible Care initiative.

### To guarantee the safety of people and the environment

by continuously improving our performance in environmental, health and safety practices; the security of our facilities, processes and technologies; and promoting continuous improvement of safety and management of chemicals throughout the supply chain.

### Strengthen chemical management systems

through participation in the development and implementation of legislation and best practices in chemical safety, based on life cycle assessment, science and risk assessment.

### Influence business partners

to promote the safe management of chemicals within their operations.

### Engage stakeholders,

understanding and responding to their concerns and expectations for safer operations and products, communicating transparently about our products and performance.

### Contribute to sustainability

through improvements in performance, expansion of economic opportunities and the development of innovative technologies and other solutions to social challenges.

## Priority environmental themes

Contributing to the reduction of environmental impact represents a priority issue on Sumitomo Chemical's corporate sustainability agenda at a global level. Considering the nature of its products, services and operations, the actions are part of the social value creation axis (see more details in "Governance" in this report) and focus on:

- ◆ Mitigate climate change;
- ◆ Contribute through products and technologies;
- ◆ Ensuring the efficient use of energy and resources;
- ◆ Contribute to the recycling of plastics;

For each of the above focuses, specific global goals related to the business were defined, which serve as guidelines for the group's actions in all its subsidiaries.

## Health and Safety

With the goal of zeroing accidents related to its activities, Sumitomo Chemical monitors the processes of transporting raw materials and applying its products and ensures the safety of its employees and contractors. We make constant investments in collective and individual protection, in training and in monitoring the occupational health of all employees.

In order to guarantee the commitment to safety and the goal of zero accidents in its business partners, on-site audits are also carried out. During the visits, the structures of the partner company and its working conditions are verified, including the analysis of risks of analogous labor to slavery and/or child labor.

As part of the global policy of responsible action, any accident that occurs with internal or external employees must be reported to the head office in Japan. Accidents are also reported to all companies in the group. In 2020, there were no accidents recorded in Brazil.

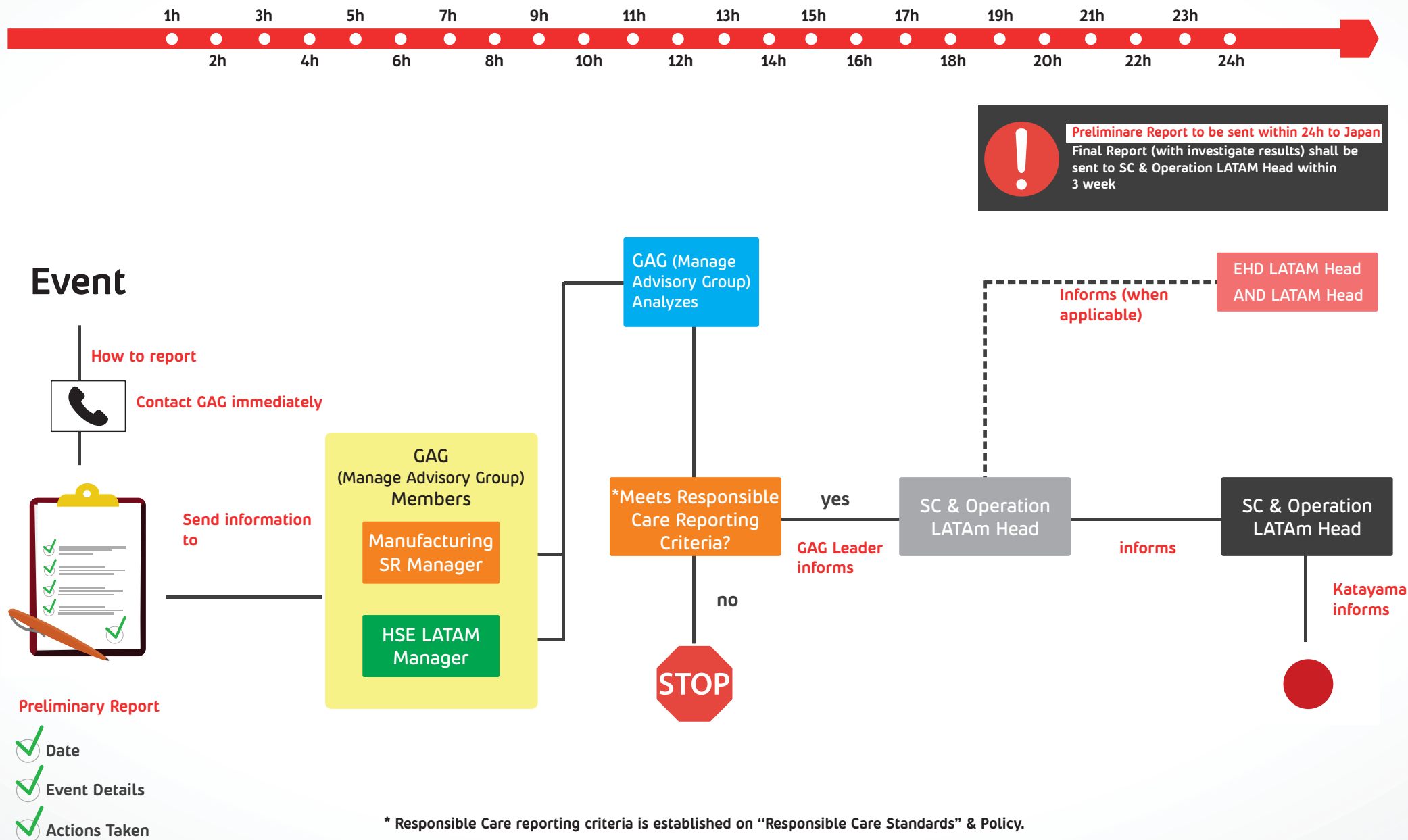
Sumitomo Chemical Latin America also provides a 24-hour contact in Brazil for the reporting of intoxications during the handling and application of products and a 24-hour emergency service to respond to occurrences during the transport of dangerous products.

### Crisis management

In line with our policy of responsible action, following the principles of Responsible Care, we have a Crisis Management Committee and an Action Plan for emergencies and crises. The objective is to identify possible scenarios and the probability of unwanted occurrences, as well as to establish standardized containment actions to reduce the impacts of possible occurrences. The Maracanaú industrial complex has an Emergency Fire department duly trained to identify, classify and act in cases of emergencies. In addition, we have companies contracted to provide environmental emergency response services both within our facilities and externally.

The Crisis Management Committee is composed of managers from SCLA, who are responsible for making decisions and managing the emergency / crisis when necessary.

## Crisis Communication Flow



## Protection of the environment

Our premise is to protect the environment through responsible socioenvironmental practices, implementing and maintaining the waste management system with control measures, focusing on the reduction of liquid, solid and atmospheric emissions. We constantly seek to optimize processes in order to make better use of our resources. At the Maracanaú industrial complex, constant capital investments are made to keep the technology of the industrial lines in the industrial park up to date and in line with the best international practices. Formulations of water-based products and with more technologies are replacing solvent-based formulations, which are more toxic. In addition, more advanced equipment minimizes the contact of operating professionals with these substances.

Still in relation to energy consumption, in 2020 we started the process of changing the energy matrix that supplies the industrial complex. In Ceará, one of the sources of electricity is a thermoelectric plant, which operates at least six months a year to supply the state's energy needs. This type of energy matrix has a high cost, in addition to emitting pollutants and greenhouse gases, which contribute to global warming and climate change. With the change of our headquarters at the Sumitomo Chemical industrial complex in Maracanaú, which took place in 2020, more than 90% of the energy we consume comes from renewable (wind) energy. In addition to not emitting pollutants or greenhouse gases, wind energy represented a 12% reduction in cost compared to 2019.

Our research center (LARC), in the interior of São Paulo, was built on the concept of sustainable architecture and has several actions to maximize the use of natural resources and minimize the environmental impact, such as:

- ◆ Chemical waste collection tanks with evaporation of excess liquid and decreased volume for incineration;
- ◆ Collecting water from roofs and lawns for use in irrigation, with less need to use water from the river;
- ◆ Common sewage treatment plant (ETE) and water used for irrigation;
- ◆ Reuse of some inputs within the research center itself, such as reuse of fertile substrate.



## Colmeia Viva Program

SCLA participates, together with other companies and entities in the sector, in the Colmeia Viva Program, which aims to train users in the correct handling of the application of products, thus avoiding the impact on non-target organisms, especially bees. The program aims to be a reference in the pesticide sector for the topic of protecting pollinators, bees and pollination sites, promoting the sector's image and reputation and collaborative coexistence between beekeepers and farmers. In addition, it encourages the correct and safe use of pesticides, continuing to maintain the defense and license for the operation of organophosphate-derived assets.



**ColmeiaViva®**



## Product innovation

One of Sumitomo Chemical's major innovation focuses is the development of products with less environmental impact, such as those that use water in their composition instead of organic solvents (derived from petroleum), which drastically reduces their toxicity. In addition, a careful analysis is made of each component that will be used, taking into account international guidelines on the degree of toxicity and use of renewable resources.

The most recent launches and the portfolio under development already include products that use water instead of solvents, are more concentrated (which reduces the volume of packaging) and use raw materials from renewable sources, with low environmental impact and favorable toxicological profile.

In addition to the products themselves, Sumitomo Chemical also invests in environmentally sustainable solutions for its packaging, such as: use of recycled material for making the packaging itself; use of packaging without a chemical barrier, which facilitates recycling; redesign of the packaging structure, reducing the material used.

Sumitomo Chemical Latin America also participates in sectorial initiatives, being one of the supporters of AgTech Garage, one of the main agribusiness innovation hubs in the world. AgTech Garage connects companies, startups, producers, investors and academia to develop technological solutions that increase the sustainability and productivity of agribusiness in Brazil.



## Indicators

The reported data refer to the Maracanaú industrial complex, to SCLA's offices and Distribution Centers.

### Water consumption (in liters)

2019	51.042.000 L
2020	51.943.000 L

## Waste

### Waste generation (in tons)

2019	1.636
2020	1.580

Of all waste generated in the industrial complex, 94% is recycled. The remaining 6% is liquid or solid waste that cannot be recycled and is therefore incinerated.

### Volume of recycled waste (in tons)

2019	1.260
2020	840

The entire chain that uses agrochemical products - manufacturers, distributors and users - has the responsibility to collect the packaging used. The collection of this material is carried out through the Campo Limpo System, managed by the National Institute for Processing Empty Packaging (InpEV). Due to this system, Brazil is the country with the highest rate of collection of packaging in the agricultural sector in the world, above 90%. Of the packaging collected, 94% is recycled. See more information in this section in Packaging.

## Odor panel

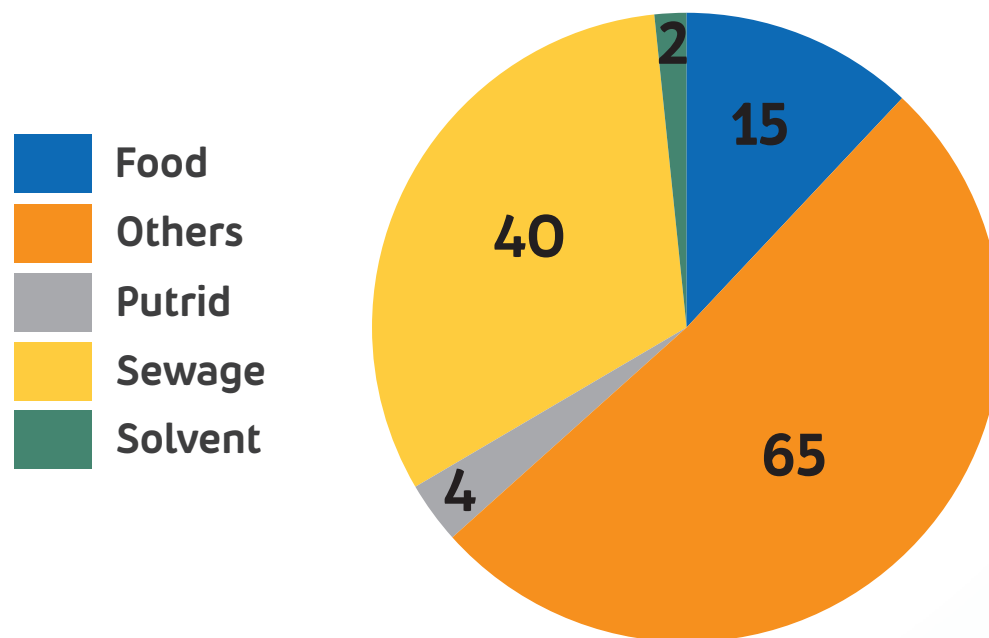
The Odor Panel is an initiative by Sumitomo Chemical Latin America to monitor the characteristic odors of the production processes of the Maracanaú Industrial Complex. Data collection for the panel is done by employees trained for the program. When SCLA employees perceive a characteristic odor during the commute to and from work, or even at their home, they record the information on a form or in a WhatsApp group intended for the program. Data such as location, time, characteristic (food, sewage, solvent, among others) and odor intensity are recorded.

### Quality of products and processes

SCLA assumes the goal of having 0% of legal complaints regarding product quality, including packaging and final product. To ensure the continuous improvement of the quality of its products, global priorities were defined, until 2021:

- 1) Review and improve standard measures and quality assurance systems at each level of the organization, and expand the use of IT in quality information management.
- 2) Promote preventive analysis activities and establish corrective measures for quality problems and risks, and share information for implementation across the company.
- 3) Guarantee product safety for the entire group based on thorough assessments and risk reduction measures.
- 4) Review and improve the existing educational system of quality assurance, and invest in the development of human resources.

### Odor characteristic



## Product liability

Sumitomo Chemical Latin America's commitment is to conduct the management of its products responsibly and ethically, in all segments related to its activities in the three business divisions. Cares observe the risks from the development to the use and the final disposal of any waste or packaging used, in the latter specific case for Agribusiness.

Our products follow the standards set by all regulatory bodies and we are committed to using it correctly. For this, we have a highly qualified technical group, which conducts workshops and events with customers and consumers, demonstrating the correct use, always taking into consideration the storage and safe handling of chemical products.

All the necessary information pertaining to the product is on the label and on the package insert, and we provide a Customer Service (SAC) and a toll-free contact number for various inquiries about the products. These actions are in line with the principles of Responsible Care that aim to meet and respect the requirements of quality, safety, health and the environment in compliance with laws, standards and other applicable local and international requirements, including the prevention of business risks, seeking satisfaction customers, shareholders, employees, suppliers, community, government and regulatory bodies.

## Lifecycle safety

To ensure safety at all stages of the life cycle, SCLA's products undergo a rigorous impact and risk analysis process, referring to their development, use and disposal. During the conception, extensive stages of tests and trials are carried out, before the decision to commercialize each new product.

In order to guarantee environmental and human safety, the company encourages all employees to engage in a culture of responsible performance. Through its policies, procedures and projects, Sumitomo

Chemical seeks high industrial standards in all operations, considering the life cycle of its products, in the field and in the cities.

## Packaging

Ensuring the correct destination of the packaging of the products it sells is a relevant theme for Sumitomo Chemical, especially in the segments aimed at the agricultural, professional products and public health sectors. Contributing to the recycling of plastics is one of Sumitomo Chemical's priority themes at the global level.

In Brazil, the company strictly follows the requirements of Law 9.974 / 00, which defines the conditions and procedures for the disposal of pesticide and similar packaging in the country.

The reverse logistics of packaging related to the agricultural segment, in Brazil, is organized through a sectoral agreement coordinated by the National Institute for Processing Empty Packaging (InpEV). The program establishes shared responsibility among all agents involved in the chain, from industry to rural producers.

Sumitomo Chemical is one of the founding shareholders of the company Campo Limpo, which recycles packaging collected from the field through the Campo Limpo System, transforming it into new packaging. Thus, it is not necessary to use new raw material for the production of packaging. In the professional products segment, the packaging collection and return process is carried out by the distribution companies, intermediaries between Sumitomo Chemical and the final resellers. In the case of products aimed at public health, the return of the packaging is agreed directly with the representatives of the government.

# Supplier management

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The Sumitomo Chemical Latin America is committed to building mutually beneficial and solid relationships with its business partners. Our global guideline for responsible procurement emphasizes compliance with and respect for human rights and seeks to encourage our suppliers to also develop corporate social and environmental responsibility activities.

The Basic Purchasing Principles and Business Purchasing Standards of the Sumitomo Chemical Group provide guidelines for operational purchasing activities for the group's companies in Japan and other subsidiaries, including the Brazilian branch. In Brazil, supplier management is carried out by the Procurement area, through systematic operational policies and procedures from the selection of the critical supplier to the evaluation of the performance of its supply. These policies and procedures include sending questionnaires, carrying out audits, analyzing supporting documents and issuing reports of commercial approval.

In Brazil, supplier management in 2020 was integrated into the Ecovadis Platform. Through this system, the company invites its suppliers to answer a questionnaire composed of 21 indicators, referring to the themes of environment, work and human rights, ethics and sustainable purchases. The methodology of the Ecovadis platform is based on international standards of corporate social responsibility, which include the Global Reporting Initiative (GRI), the UN Global Compact (GC) and ISO 26000.

Local suppliers are asked to share a series of documents (policies, certificates, codes and declarations), including them at the time of their approval. If the supplier does not have these documents, he must fill out a form with questions related to quality, occupational health and safety, the environment, social and commercial responsibility, and his signature is required to register the process.

Purchasing employees base their actions on the Regional Purchasing Policy, which contains Sumitomo Chemical's global supplier code of conduct. All employees undergo mandatory self-training, in which procedures and instructions related to supplier management are available. Online courses involving good market practices are also shared with the team. Whenever necessary, our internal documents are revised in order to adapt them to new practices and innovations.

The most significant purchases made with Sumitomo Chemical's supply chain in Brazil are represented as follows:

- ◆ 35% of Active Ingredients, purchased mainly from manufacturers originating in countries like India and China;
- ◆ 30% of intercompany products, that is, manufactured by companies of the Sumitomo Chemical group in different countries;
- ◆ 6% of products formulated by third parties
- ◆ 2% of logistics services
- ◆ 1.5% of packaging

The rest are miscellaneous items, such as office supplies or items for holding events.

# Prevention of corruption



Sumitomo Chemical considers corruption prevention, in all its forms, to be one of the most relevant issues to ensure the compliance of its businesses at a global level. The company seeks to improve its internal organization to respond adequately to the risks of corruption, in order to avoid its occurrence.

The Compliance Policy, as well as the Global Responsible Procurement Policy, the Basic Purchasing Principles and the Business Purchasing Standards of the group define conducts, behaviors and actions that aim to prevent all forms of corruption in commercial and chain relations from suppliers. All of our employees, especially those who work in the supply area, are trained annually in the company's anti-corruption and compliance policies.

#### **Antitrust Compliance and Corruption Prevention Committee**

In 2012, Sumitomo Chemical launched the Antitrust Compliance and Corruption Prevention Committee (chaired by the company's global president) in order to establish and manage anti-corruption systems for group companies in Japan and its subsidiaries. The Committee acts under the guidance and supervision of the Board of Directors and the Board of Corporate Auditors.

It is also responsible for defining the policy and commitments related to the prevention of all forms of corruption, including bribery of public officials by executives or administration officials and gift giving, collusion, embezzlement and breaches of trust.

A Due Diligence process was implemented as part of this policy, with the aim of establishing controls to prevent the practice of corruption in the supply chain and customers. The process consists of checking, before hiring, any business partners that may have relations with the government, at some level, during the period of the contract with Sumitomo Chemical. In this way, the company seeks to minimize the risks of contracts with the various organizations with which it relates.

Sumitomo Chemical has a Bribery Prevention Compliance Manual that presents detailed anti-corruption rules. The manual has been released to all group companies worldwide and is available on the corporate intranet. Periodic training sessions are held to ensure compliance by employees.

In addition, the Company conducts assessments of anti-corruption regulations and corruption risks in the countries where it has operations. Based on the results of these assessments, corruption prevention policies are established, locally, if necessary.

### SCLA Compliance Policy

At SCLA, the Sumitomo Chemical Charter of Business Conduct was created in 2003, which defines the basic criteria for conducting our business. The Charter has ten commitments, covering topics such as respect for laws and regulations, development of useful and safe products and technologies and engagement in activities to protect people and the environment.

Our Compliance system offers documents and tools to all employees, to guarantee ethical and legal business conduct in all their relationships. These documents and tools include:

- ◆ Compliance Policy ;
- ◆ Code of Ethics;
- ◆ Anti-trust Policy;
- ◆ Anti-Bribery Policy;
- ◆ Information Security Policy;
- ◆ Internal Ombudsman;
- ◆ Compliance Committee.

The Compliance Committee, which is currently under review by members due to the acquisition, ensures compliance through prevention and immediate action required in case of violations. The Committee will meet at least once a year and formulates annual training programs

### Internal Ombudsman

SCLA has an ombudsman service for employees and suppliers. By means of a telephone and an e-mail, an external office receives reports and complaints from employees about situations of potential violation of its codes and values. These reports are forwarded to the Legal and SCLA Compliance Committee, which accompany the investigation and propose remedial measures. Anonymity is accepted, but should be avoided, and in all reports it is ensured that no retaliation will take place.

In 2020, only one complaint was received, which was related to a conflict of interest.



# Office hour

## **Accomplished**

Culture, Corporate Communication & Sustainability LATAM  
Sumitomo Chemical Latin America Sustainability Committee

## **Consulting, writing and text editing**

Sociedade Consultoria  
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