

Products to Enhance Sustainability

Contributing to the resolution of social issues through products and services



TOPICS

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Products to Enhance Sustainability

SEKISUI CHEMICAL Group will accelerate efforts to create and expand markets for products to enhance sustainability that contribute significantly to solving social issues. In order to realize a sustainable society, we support the basis of LIFE and will continue to create peace of mind for the future through these means.

Positioning of Products to Enhance Sustainability

SEKISUI CHEMICAL Group has positioned products to enhance sustainability as the most appropriate conduit through which to realize both a sustainable society and the sustainable growth of the Group itself. Through the creation and expansion of products to enhance sustainability, the Group aims to help achieve the SDGs while improving its contributions and ability to solve social issues as well as grow as a company. Under the current Medium-term Management Plan, SEKISUI CHEMICAL Group is evolving the products to enhance sustainability system and redefining issues as they relate to the natural and social environments. At the same time, we are strengthening technology platforms in a bid to generate innovation, developing human resources, and creating opportunities that transcend organizational boundaries.

Our Philosophy

SEKISUI CHEMICAL Group will contribute to solving various social issues, including the SDGs, through its core business products. More than just contribute to the realization of a sustainable society, we will grow as a company essential to society. To this end, we will accelerate efforts to create and expand markets for products to enhance sustainability that increasingly contribute to solving social issues while working to enhance global and social sustainability. At the same time, we will utilize the products to enhance sustainability system to improve the sustainability of companies and products.

Implementation System

Products to enhance sustainability are products that make a significant contribution to solving issues in the natural and social environments. SEKISUI CHEMICAL Group evaluates and certifies these products' degree of contribution based on certain internal criteria.

Vision 2030 positions products to enhance sustainability as the outcomes of efforts to resolve materialities with important impact on management and society. By creating and expanding such product lines, SEKISUI CHEMICAL Group aims to solve social issues while growing its business.

We position our target* for the creation and expansion of products to enhance sustainability as a key performance indicator (KPI), devising strategies and carrying out measures to achieve it.

* This target is a milestone back-cast from SEKISUI Environment Sustainability Vision 2050, an environmental vision that sets goals for solving natural and social environmental issues that require a long-term approach.

As such, it is positioned as a management target in the Group's Environmental Medium-term Plan, Sekisui Environment Sustainability Plan: Accelerate II. Progress on this target is managed based on the environmental management promotion system.

Please refer to Environmental Management Promotion System.

Enhancing the Ability to Contribute to Solving Social Issues through Education

SEKISUI CHEMICAL Group has continued to focus on training to enhance its ability to contribute to solving social issues, which is key to realizing Vision 2030, from fiscal 2020.

As a company, we provide education and training in an effort to encourage employees to take the initiative in understanding and solving social issues, while putting into practice their own thoughts, depending on their responsibilities and working environment.

Social and SDG Contribution Activities to Improve the Ability to Contribute to Solving Social Issues

Beginning in fiscal 2020, SEKISUI CHEMICAL Group is recommending activities that contribute to the SDGs and strengthening efforts to cultivate its people and spiritual climate. Our aim is to improve employees' ability to contribute to solving social issues.

Advanced Product Evaluation System That Promotes the Resolution of Social Issues

SEKISUI CHEMICAL Group has continued to promote a product evaluation system in order to accelerate the solving of issues related to the natural and social environments since fiscal 2006. Certification registration is based on the determination criteria established through discussions among internal committee members. We have received opinions and advice from outside advisors on the criteria and approach, as well as the validity of results, to ensure high standards and transparency.

- **Fiscal 2006: Launched the Environment-Contributing Products system**

Based on internal criteria, SEKISUI CHEMICAL Group launched a product system to certify and register products that contribute significantly to the solving of issues in a bid to promote the creation and expansion of products that contribute to the solving of issues in the natural environment.

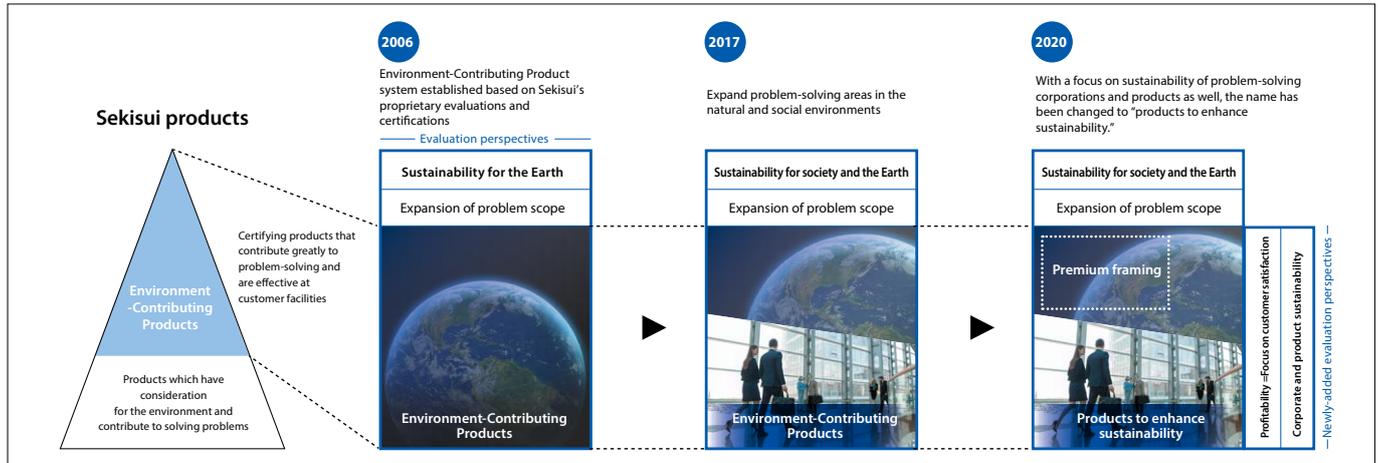
- **Fiscal 2017: Expanded the scope of the system to include not only products that contribute to solving natural environment issues, but also those that focus on the social environment**

SEKISUI CHEMICAL Group is working diligently to further create and supply problem-solving products. We have also reaffirmed that the SDGs and our goals are one in the same.

- **Fiscal 2020: Evolution as products to enhance sustainability**

Introduced a strategic framework referred to as Premium Framing and sustainability assessment as confirmation assessments

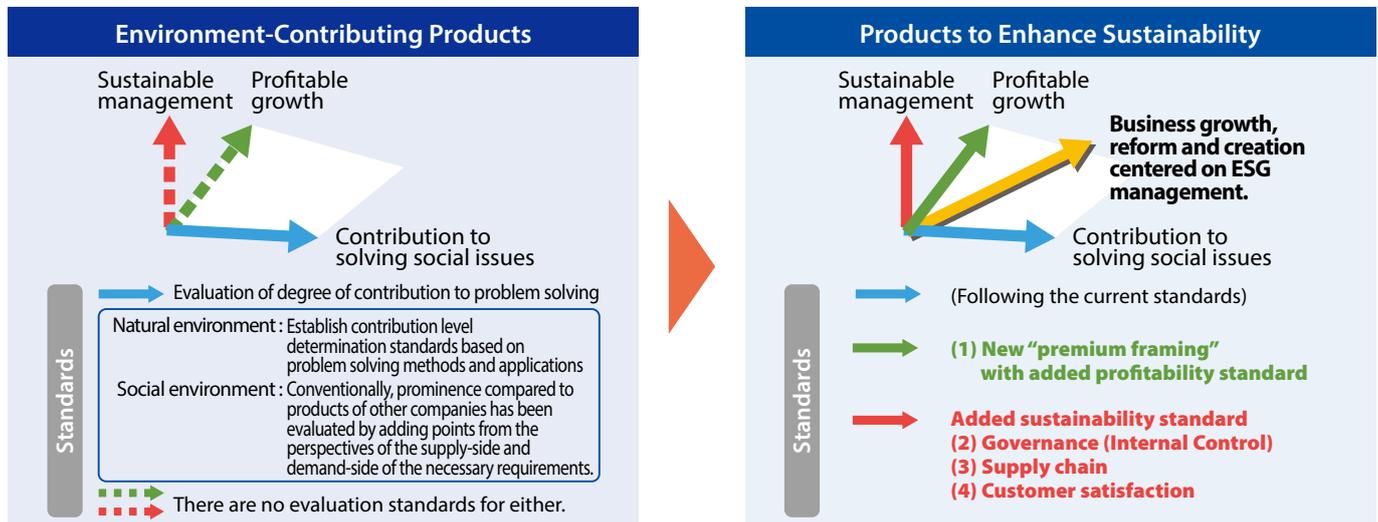
Evolution of the Product System at SEKISUI CHEMICAL Group



In Vision 2030, ESG management is described as a strategy for achieving a sustainable society and sustainable corporate growth. To drive its achievement of the target state of Vision 2030, SEKISUI CHEMICAL Group is continuing its existing systems for improving its ability to contribute to solving social issues while launching two key changes starting in fiscal 2020. First, to bolster profitability, the Group is establishing a strategic framework called Premium Framing to match its business portfolio with the above systems and strategically expand them. Second, to boost its capabilities in sustainable management, the Group is implementing Sustainability Assessment, a program to confirm and evaluate items necessary to improve the sustainability of its products and businesses.

Ensuring the sustainability of the Group and Group products themselves is vital to continue making products that contribute significantly to solving social issues and expanding that contribution. For this reason, we adopted a new perspective on evaluating corporate and product sustainability in addition to the conventional process of certifying products that contribute significantly to the solving of issues based on internal criteria from fiscal 2020. Using confirmation assessments based on such factors as profitability, process evaluations, and Governance (Internal Control) across the supply chain, we are building and operating an evaluation system that confirms sustainability and promotes the implementation of activities to enhance sustainability.

In addition, SEKISUI CHEMICAL Group has established Premium Framing as a strategic framework for strategically expanding products that contribute to solving social issues and is committed to expanding this framework with medium-term targets. Our goal is to accelerate contributions to solving social issues by implementing strategies that balance the solving of social issues and profitability.



Strengthen the Group's management ability to sustain business to continue contributing to the natural environment and society



Discussion with External Advisors

In fiscal 2012, SEKISUI CHEMICAL Group established an External Advisory Board. This board assembles experts from outside the Group who offer advice on standards and registration of products to enhance sustainability, as well as future perspectives.

The External Advisory Board meetings are organized by the supervising director of the organization in charge of environmental issues and sustainability. Members of the internal certification screening committee for Environment-Contributing Products, including staff such as executive officer representatives from each divisional company who oversee the technical side, organization heads carrying out management project work with a grasp for business conditions as a whole, participate in External Advisory Board meetings. We also ask others from outside the Company coming from various backgrounds in industry, government, and academia who are currently engaged in environmental and other sustainability-related work to take part as external experts.

In addition to the existing five external members who will continue to serve, one other individual from outside the Company with knowledge and experience in ESG issues in both the financial and corporate sectors was added to the committee in fiscal 2021. By further expanding the committee, we hope to obtain opinions and advice from a variety of perspectives to address increasingly complex social issues while responding to diverse corporate requirements (Table A). The External Advisory Board held two online meetings in March. Through these meetings, SEKISUI CHEMICAL Group received opinions on the significance of contributions made to the natural and social environments by newly registered products and how best to convey that significance. Advice was also received on the evolution and direction of the product system based on various inputs including confirmation of the need to consider multiple issues, which is also required by the EU Taxonomy.

| Name | Affiliated Institution and Position | Specialist Areas | Anticipated Role(s) |
|---------------------|---|--|---|
| Masatsugu Taniguchi | Representative of the Resource and Environment Strategic Planning Office | <ul style="list-style-type: none"> • Experience as a company manager • Well versed in resource-centered environmental strategies, a leading figure who advocated natural capital management from an early stage | The giving of opinions/advice on management including natural capital and the product portfolio |
| Juichi Shibusawa | President of the specified non-profit corporation Network for Coexistence with Nature | <ul style="list-style-type: none"> • Experience in business as a Doctor of Agriculture • As president of an NPO, implements activities for forest, community, and human resource development with environmental NPOs in Japan and other countries | <p>The giving of opinions/advice on business related to the solving of social issues based on the spirit of three-way benefits (the buyer, seller, and society as a whole)</p> <p>The giving of opinions from a nature-positive perspective</p> |
| Takehisa Kabeya | Sustainable Management Promotion Organization (SuMPO), Senior Managing Director | <ul style="list-style-type: none"> • Experience as a government official at Japan's Ministry of Economy, Trade and Industry • Promotes social change activities through environmental values, such as LCAs and support for regional revitalization | The giving of opinions from a life cycle perspective, the giving of opinions/advice based on regulations regarding environmental value and global trends |

| Name | Affiliated Institution and Position | Specialist Areas | Anticipated Role(s) |
|----------------|---|---|--|
| Minako Oishi | Nippon Association of Consumer Specialists (public corporation), Representative Director, Deputy Chairperson | <ul style="list-style-type: none"> • Knowledge and experience concerning consumers and their demands • Promotes activities that connect consumers, businesses, and government | From the standpoint of using products, the giving of opinions/advice based on requests, expectations, and matters of concern |
| Shoichi Saito | Nikkei Business Publications, Inc., Executive Director, ESG Management Forum | <ul style="list-style-type: none"> • Media experience • Ascertains and disseminates global trends in all areas of sustainability | From a comprehensive perspective, the giving of opinions on future trends with regard to risks and opportunities in ESG management |
| Mari Yoshitaka | Mitsubishi UFJ Research and Consulting Co., Ltd., Principal Sustainability Strategist, Management Planning Department Virtue Design Representative Director | <ul style="list-style-type: none"> • Experience with regard to ESG investment in financial institutions • Leading figure in SDGs, green business, and climate change finance | Seen from a financial standpoint, the giving of opinions/advice on risks and opportunities in terms of corporate value and ESG management/green business |

Note: Internal certification screening committee

The committee is chaired by the supervisor of the ESG Management Department and comprised of supervisors in charge of technology and business at the Company's headquarters and divisional companies. The committee meets to deliberate on issues related to the certification of products to enhance sustainability. Meetings are held regularly twice per year.

Strengthening the registration of products that contribute to resource recycling

While products to enhance sustainability fall under the Company's registration system owing to their high degree of contribution to solving social issues based on internal criteria, steps are being taken to strengthen and review the system's operations and criteria to ensure that the product portfolio continues to evolve in line with business strategies that account for social needs and business conditions.

Against this backdrop, we announced details of our fiscal 2021 resource recycling strategy and roadmap in response to the issue of resource recycling, which is one key aspect of the natural environment. Recognizing the need to accelerate the creation and market expansion of products that contribute to resource recycling and resource conservation based on this strategy and roadmap, we revised and clarified the following three resource recycling criteria for the registration of products to enhance sustainability.

- Greenhouse gas reduction and non-fossil resource-derived plastics use
- Raw materials use reduction and horizontal recycling of materials collected internally
- Biodiversity preservation and biodegradable materials use

Of the 28 products newly registered in fiscal 2021, including the aforementioned criteria, six products contribute to resource recycling.

Products that employ biomass plastics and other candidates including resins that are derived from the horizontal recycling of materials collected internally in collaboration with raw material manufacturers were registered after newly confirming their high degree of contribution to solving issues.

Visualization of the Degree of Contribution to Solving Social Issues

To clarify the amount of return to natural capital up to fiscal 2019, SEKISUI CHEMICAL Group worked to visualize the degree to which each Environment-Contributing Product contributed to solving social issues. We calculated and quantified into a single indicator (damage costs) the various contribution vectors in the life cycle of Environment-Contributing Products. We multiplied the market impact, based on sales, by the environment contribution of each product to arrive at a quantifiable contribution by product, reflected in the Sekisui Environment Sustainability Index.

In calculating the impact on the environment for each Environment-Contributing Product until fiscal 2016, we broadly classified environmental issues into three areas that should be resolved in our aim to help realize an earth with maintained biodiversity. However, since broadening the scope of Environment-Contributing Products from fiscal 2017, we have since taken steps to integrate contributions across four areas adding the area of human health/social assets.

We began conducting environmental impact assessments based on the contribution to solving issues in the natural and social environments of products to enhance sustainability throughout their respective life cycles from fiscal 2020. These contributions to natural and social capital are reflected in the Sekisui Environment Sustainability Index. In particular, we have started to explore the possibility of evaluating the social value of our products based on impact-weighted accounting.

How to Visualize the Degree of Contribution to Solving Social Issues

Computation of the degree of contribution to environmental issues is based on the following calculations

- (1) Determine technologies and products to be compared.
- (2) Gather quantifiable data related to environmental impact of each stage of a product's life cycle (from raw materials to production, transport, use and disposal).
- (3) Apply a coefficient* to calculate environmental impact for each factor affecting the environmental impact data obtained and consolidate the results.
- (4) Environmental contribution is the difference between the coefficient-derived value in (3) above and the original value.

* Coefficient: Calculated using a customized version of MilCA, a system developed by Japan Environmental Management Association for Industry using LIME2, an environmental impact assessment method created by Professor Norihiro Itsubo at Tokyo City University.

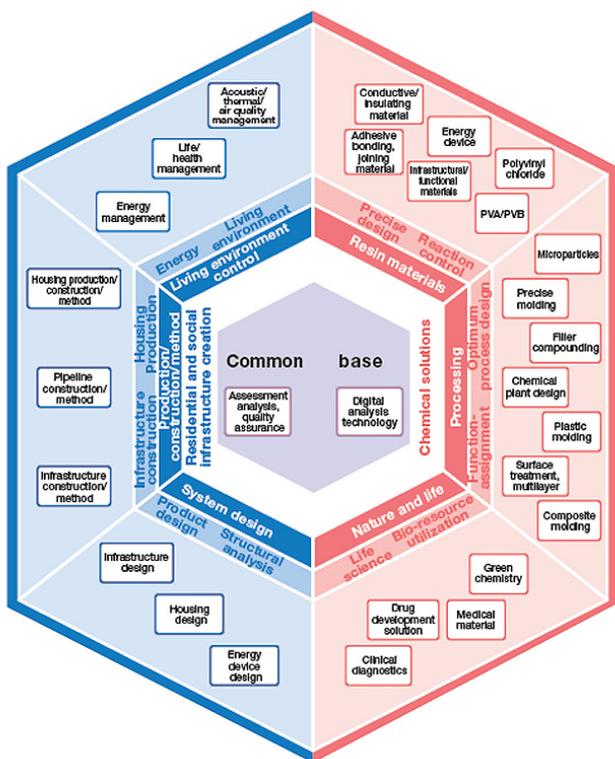
Major Initiatives

Creating Products to Enhance Sustainability through Internal Fusion by the ESG Task Force

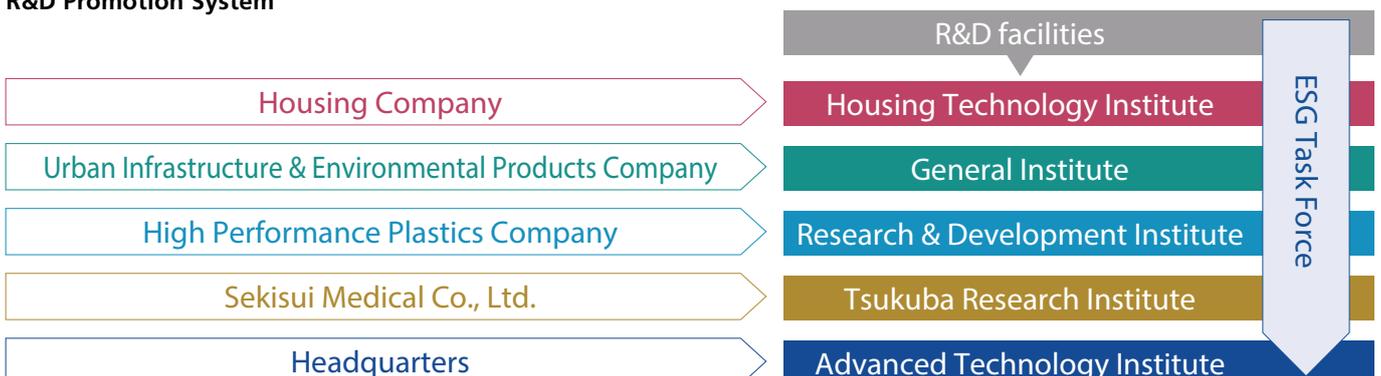
Today's companies are hearing growing demands to offer solutions in a timely manner to address issues such as the COVID-19 pandemic. In such times, innovations must be considered quickly and turned rapidly into action. However, we believe it is also important to accelerate the proposal and consideration of innovations aimed at solving social issues with a long-term view and to implement those innovations in a timely manner. By taking such quick and prompt action, SEKISUI CHEMICAL Group was able to fuse its 28 technological platforms for promoting the creation of products to enhance sustainability. The result was the launch of the ESG Task Force, a forum for considering social issues in ways that transcend organizational boundaries.

In the future, we will take steps to normalize internal cross-sectional systems that enable development and business proposals aimed at addressing social issues, while at the same time putting in place a system that can accelerate innovation in case of emergencies such as the COVID-19 pandemic.

SEKISUI 28 Technological Platforms



R&D Promotion System



Encouraging Development through the Use of ESG Investment and Measures to Support Expansion of Products to Enhance Sustainability

SEKISUI CHEMICAL Group has identified a subset, measures to support the expansion of products to enhance sustainability, within its established limit for ESG investment. This investment subset is designed to encourage planning and proposal of measures to create products and services and expand markets. To propose solutions to social issues through fusion, this investment subset serves as a financial incentive in support of themes at the planning and testing stages to achieve internal fusion and contribute to the solving of social issues whose solutions are urgently needed or that require long-term measures to solve.

After submitting a theme or plan for assessment, a decision on whether or not to invest is made. In addition to evaluating the importance attached to solving a particular issue and the degree of contribution to enhancing sustainable corporate value, deliberations encompass how the promotion of a theme can be accelerated, the effects of each proposal, and whether investment will help increase corporate value.

In fiscal 2021, support measures were approved and implemented for eight new creation or market expansion themes.

Steps have been initiated to verify new recycling technologies that accelerate the recycling of waste into materials, an area which we are committed to strengthening as a part of our resource recycling strategy. Among a host of measures, we have also commenced efforts to identify new technologies that will trigger innovation and help promote improvements in the durability of products that support social infrastructure. Work to check progress on an interim and fiscal year-end basis are underway.

Environment-Contributing Products PR

As a company that supports the basis of LIFE and solves social issues by delivering value to society including peace of mind for the future through its products and businesses, we introduced products at the following venues, provided education on the means to solve issues, and promoted the importance of finding solutions.

[Promoting efforts to mitigate climate change through products]

- September Sponsored by the Sustainable Management Promotion Organization: SEKISUI CHEMICAL Group's Carbon Neutral Strategy presented at a carbon neutral seminar
- September Sponsored by the Japan Association of New Economy: Case Studies on ICP Use for Decarbonization Strategies at a Japan Association of New Economy seminar
- December Sponsored by the Kansai Chemical Industry Association: ESG Management for the Realization of a Decarbonized Society in 2050 at a fiscal 2021 safety management seminar
- February Sponsored by SB Forum Japan: Strengthen the Foundation of ESG Management in light of Climate Change and ESG Themes/Mega-trends at SB Yokohama

[Promoting effort to adapt to climate change through products]

- March Sponsored by Japan's Ministry of the Environment: Turning Adaptation Initiatives into Opportunities at a climate change adaptation guide utilization seminar for the corporate sector
- March Sponsored by the Asia-Pacific Water Forum: Panel discussion at the finance pre-session of the 4th APWS Water and Disaster/Climate Change seminar

Enhancing Product Environmental Value

Taking into consideration the needs of society and customers, the environmental value of products to enhance sustainability reflects a variety of factors. This includes efforts to stay one step of the curve by promoting the value of low-carbon, decarbonized products that help mitigate climate change.

In order for low-carbon, decarbonized products to deliver value to customers, steps are taken to calculate each product's carbon footprint carbon life cycle assessment (C-LCA).

While boundaries are set and calculations made according to the purpose and product, at this stage, calculations for raw materials are based on a database (IDEA) that applies publicly available average GHG emission coefficients. We believe that through the activities and collaboration of raw material manufacturers, positive steps can be taken to harness the low-carbon value and efforts of each company.

The volume of raw materials used and energy consumed at the time of production are calculated using actual measurement data at production plants.

In order to understand and better appreciate the significance of methods to undertake life cycle assessments (LCAs), which will become increasingly important in the future as an indicator of low carbon value, SEKISUI CHEMICAL Group is actively participating in a variety of endeavors including the LCA Utilization Promotion Forum, the LCA Forum, and the Institute of Life Cycle Assessment. In addition to brushing up on information on the handling of each method and solution, we are encouraging employees to take external training courses and conducting in-house LCA training.

Over and above online LCA training conducted in February, which attracted more than 100 participants, SEKISUI CHEMICAL Group provide archived courses. We are developing human resources that are capable of calculating and promoting the appeal of low-carbon values.

At the UIEP Company, which handles a large number of infrastructure products made from resin, we provide training for sales staff. Complementing this training, we prepare and distribute materials that help explain calculated value to customers, focusing on resin pipes and other products. As of March, the Company has trained more than 500 employees and launched sales activities to promote low-carbon value.

Recognizing that the growth of low-carbon values varies from industry to industry, we are first approaching business fields where value growth is slow. We believe this is helping to distinguish the Company's efforts in each business and transforming risks into opportunities. In order to proactively meet the low-carbon, decarbonization requirements of products while also working with the supply chain, we will accelerate reforms in raw material selection and production processes, energy conversion, and studies that contribute to resource recycling, with the aim of achieving carbon-neutral products.

Performance Data

Note 1: From fiscal 2019, Medical Business results are collated and presented with Headquarters results following its separation from the High Performance Plastics Company as an independent entity.

Note 2: From fiscal 2020, the product system has evolved and renamed “products to enhance sustainability”.

Net Sales / Proportion of Products to Enhance Sustainability



Trends in Net Sales of Products to Enhance Sustainability

(Unit: Billions of yen)

| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 |
|---|--------|--------|--------|--------|--------|--------|
| Housing Company | 290.9 | 317.6 | 364.3 | 374.0 | 352.9 | 393.8 |
| Urban Infrastructure & Environmental Products Company | 90.3 | 93.7 | 97.7 | 101.5 | 93.2 | 101.3 |
| High Performance Plastics Company | 99.4 | 142.2 | 178.9 | 110.0 | 121.9 | 186.9 |
| Headquarters | 0.6 | 2.4 | 2.8 | 72.7 | 72.2 | 90.4 |
| Company-wide total | 481.2 | 555.9 | 643.8 | 658.3 | 640.3 | 772.4 |

| Index | Calculation Method |
|---|--|
| Net Sales of Products to Enhance Sustainability | Net sales of products to enhance sustainability = Consolidated SEKISUI CHEMICAL Group sales of products internally certified as products to enhance sustainability All businesses of the Group in and outside Japan are subject to assessment Note: See pages P54-57 of Sustainability Report 2022 for a definition of and approach toward products to enhance sustainability. |
| Proportion of Products to Enhance Sustainability to net sales | Proportion of products to enhance sustainability to net sales = Net sales of products to enhance sustainability / Consolidated sales All businesses of the Group in and outside Japan are subject to assessment Note: See pages P54-57 of Sustainability Report 2022 for a definition of and approach toward products to enhance sustainability. |

Number of Products to Products to Enhance Sustainability Newly Registered

| FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | Number of registrations as of the end of March 2022 |
|--------|--------|--------|--------|--------|---|
| 24 | 18 | 5 | 12 | 28 | 184 |

Enhancing the Ability to Contribute to Solving Social Issues through Education

Fostering Human Resources Who Are Aware of Social Issues and Who Can Think and Act on Their Own to Create and Broaden Products to Enhance Sustainability

Promoting Education to Enhance the Ability to Solve Social Issues

In working to realize a sustainable society, SEKISUI CHEMICAL Group pursues growth in sales and operating profit through its contribution to solving social issues while advancing management that maintains an awareness of management’s ability to sustain business.

With a focus on fostering the ability of our employees to contribute to solving social issues, we provide education that enables them to think in ways that connect to management’s ability to sustain business and profit creation potential in a bid to create and expand markets for products to enhance sustainability.

Concept for Promoting Education over the Long Term

In addition to spurring the growth of our employees through experience in their current positions, we have continued to provide education that fosters an awareness of problem-solving and the ability to act from the current Medium-term Plan (2020-2022) that began in 2020.

On top of knowledge-based education, by having our employees spearhead activities premised on solving social issues (=SDGs), we will work to transform employee consciousness and also encourage a change in behavior through activities (=SDGs contribution activities) that improve the ability to contribute to solving social issues.



Figure 1: Schematic view of education to increase the ability to contribute to solving social issues.

To increase its ability to contribute to solving social issues, the Group believes it is important to improve its levels of knowledge and action, which are organized into eight categories (four knowledge and four action). We are promoting education and activities that reinforce the weak points and expand on the strong points, while confirming how these knowledge and action capabilities are improving through education, activities, and other programs.

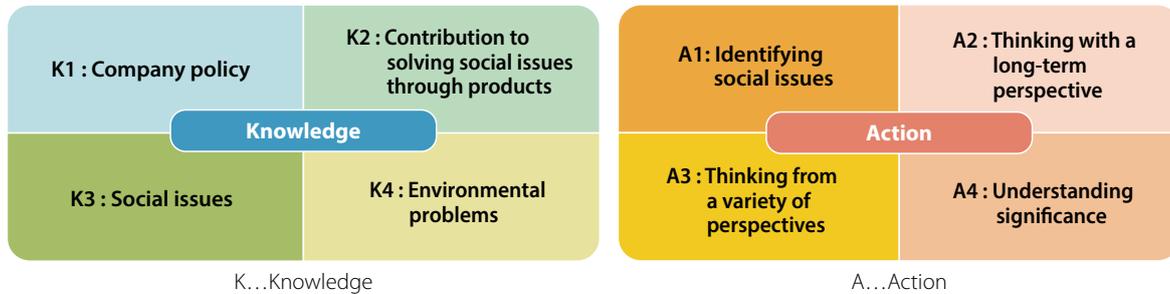


Figure 2: Knowledge and action items required of personnel who contribute to solving social issues

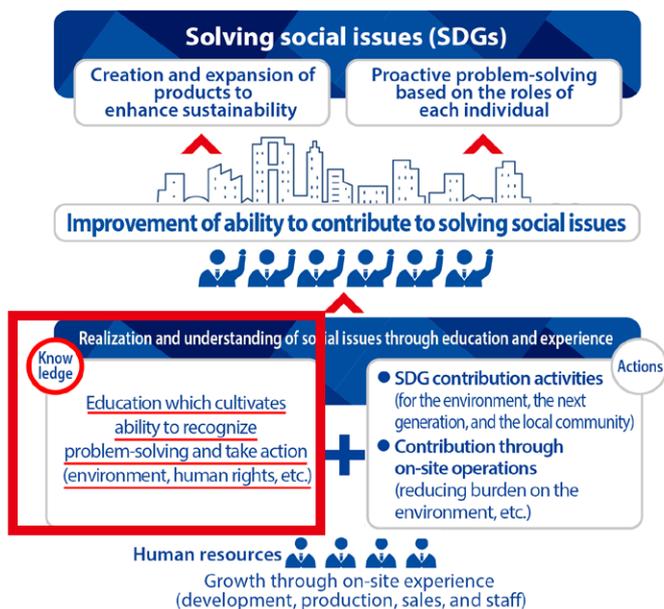
Concept of Education for Enhancing the Ability to Contribute to Solving Social Issues in the Environmental Medium-term Plan

A program to assist the transformation to hands-on action

The current Medium-term Plan (2020-2022) is positioned as the input stage for awareness, understanding, action and producing outcomes for each social issue. After confirming the effects of this input stage, steps will be taken to transition toward education and the development stage. This entails becoming aware, participating in planning, knowing, understanding, considering, taking action, and creating solutions to social and environmental issues. Through these stages, we will nurture the human resources that generate results and contribute to social and environmental solutions through our business and corporate activities.

The results of the previously mentioned human resources indicator are being used to confirm whether human resources have the knowledge and ability to take action necessary to contribute to solving social issues in efforts to promote human resources development. This indicator allows us to identify strengths and weaknesses in knowledge and actions related to social and environmental issues.

Effective human resource development is implemented by promoting educational programs that reinforce weaknesses and develop strengths according to the results.



Major Initiatives

| Application of the Ability to Contribute to Solving Social Issues Indicators for Personnel

We created a human resource awareness indicator to serve as a rough gauge of individual progress, so as to ascertain the status of the knowledge and actions that employees will require to solve social issues, and to encourage individuals to engage in self-study. We began applying this indicator starting in fiscal 2021.

During the first half of fiscal 2021, we reviewed the ability of employees to contribute to solving social issues that is required to create peace of mind for the future to support the basis of LIFE and realize a sustainable society (Vision 2030).

Although this review relied upon self-assessments, by periodically questioning our employees' own awareness of the extent to which they are familiar with knowledge and whether they take action that helps solve issues, this effort measures the degree to which self-awareness regarding contributions to solving social issues has increased. As self-awareness increases, employees become able to act with an awareness of their contribution to solving social issues as part of their work.

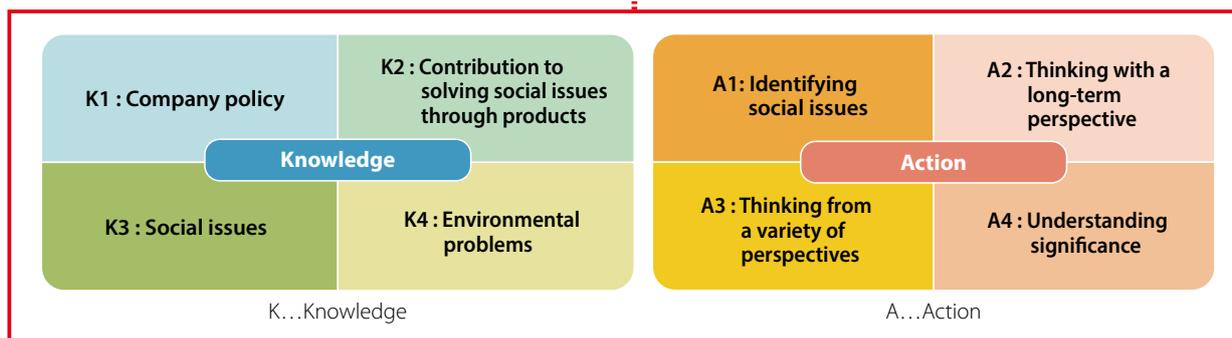
The results of the first Ability to Contribute to Solving Social Issues Review, which will serve as a benchmark for the future, are as follows:

- **Group-wide average: 41 points (benchmark for the current Medium-term Plan)** 
- **Strengths (high-scoring items)**
 - Knowledge: Consideration of social issues throughout product lifecycles
 - Action: Belief that individual work forms a part of the Group's efforts to solve social issues"
- **Weaknesses (low-scoring items)**
 - Knowledge: Product sustainability ratings (products to enhance sustainability)
Evolution of the product system (products to enhance sustainability)
 - Action: Conceive of ways to solve new social and environmental issues
Take action upon considering what is necessary after setting future goals

Based on the results of this review, we believe that it is fairly common for employees to consider social issues throughout product lifecycles, and to recognize the link between their own work and the solutions for social issues. Meanwhile, we determined that areas regarding knowledge that should be improved include instilling an awareness of the products to enhance sustainability system, while areas regarding action that should be improved include discovering social issues and thinking from a long-term perspective. Therefore, we will deliver educational programs to reinforce these areas going forward.

Enhancing the Ability to Contribute to Solving Social Issues through Education Programs (content implemented in 2021)

| | Program Name | Education Category | | | | | | | | Target | | |
|---|---|--------------------|----|----|----|---------|----|----|----|--------|----------|-----------------------------------|
| | | Knowledge | | | | Actions | | | | Japan | Overseas | Job responsibilities, types, etc. |
| | | K1 | K2 | K3 | K4 | A1 | A2 | A3 | A4 | | | |
| 1 | CSR training-1 | ✓ | ✓ | | | ✓ | | | ✓ | ✓ | | New company employees |
| 2 | CSR training-2 | ✓ | ✓ | | | ✓ | | | ✓ | ✓ | | Newly appointed managers |
| 3 | Educational booklet on environmental issues and issue solving initiatives | ✓ | ✓ | | ✓ | | ✓ | | ✓ | | ✓ | All employees |
| 4 | e-learning program on environmental issues and issue solving initiatives | ✓ | ✓ | | ✓ | | ✓ | | ✓ | | ✓ | All employees |
| 5 | Instructional booklet covering social issues and efforts to grapple with them (Extending Healthy Lifespans) | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | | All employees |
| 6 | e-learning about social issues and efforts to grapple with them (Extending healthy Lifespans) | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | | All employees |
| 7 | e-learning about the basics of SDGs | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ | ✓ | All employees |
| 8 | e-learning covering various types of thinking, including backcast thinking | | | | | ✓ | ✓ | | ✓ | ✓ | | All employees |
| 9 | LCA orientation training | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | | Employees (voluntary) |



Instructional booklet and e-learning about social issues and the Group's efforts to grapple with them

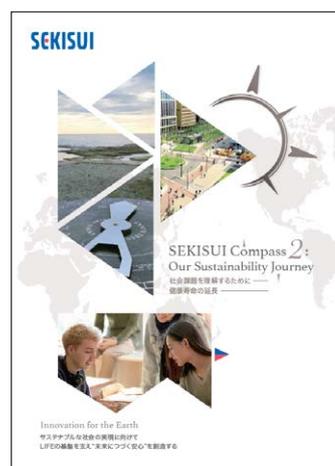
In 2021, we conducted programs to reinforce low-scoring areas (weaknesses) on the Ability to Contribute to Solving Social Issues Review that was undertaken for employees in Japan.

1) Published an instructional booklet covering social issues

The first step in thinking about social issues and taking action is knowing what social issues are present in today's world and what actions the Group is taking to resolve them. In 2020, we published an instructional booklet intended to help employees understand environmental issues, whereas in 2021 we published an instructional booklet covering Extending Healthy Lifespans, which received a low score on the Ability to Contribute to Solving Social Issues Review. In addition, to deepening understanding of the content of the instructional booklet, we implemented e-learning in parallel with the publication of the instructional booklet.

2) e-learning covering various types of thinking, including backcast thinking

As a result of the 2021 Ability to Contribute to Solving Social Issues Review, we discovered that employees were not taking action founded on backcast thinking, whereby individuals take action upon considering what is necessary after setting future goals. In order to reinforce this weakness, we also conducted an e-learning program using a role-playing format intended to provide employees with an awareness of trends in different ways of thinking, including backcast thinking, and to combine these and use these appropriately on an individual basis depending on the situation.



Instructional booklet
covering social issues
Extending Healthy
Lifespans



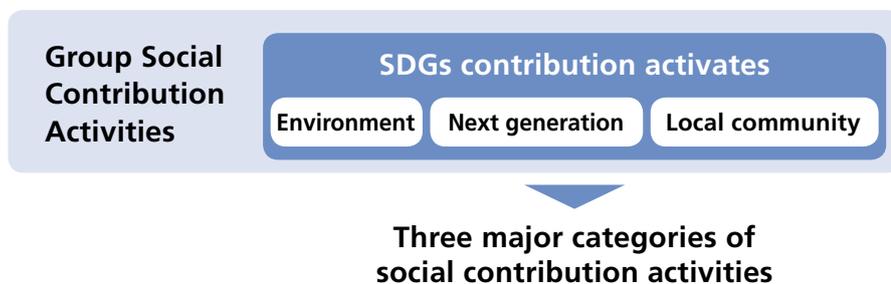
e-learning to educate employees on different types of
thinking, including backcast thinking

Social and SDG Contribution Activities

Through its social contribution activities, SEKISUI CHEMICAL Group seeks to develop a climate and people that can contribute to solving social issues.

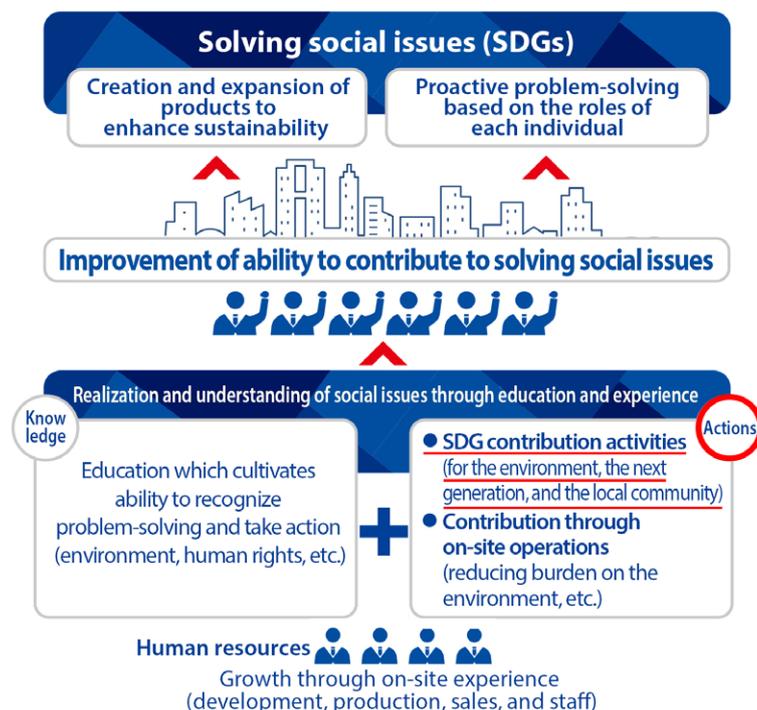
Promotion of social contribution activities from an SDG perspective

SEKISUI CHEMICAL Group contributes to solving social issues not only through its business activities but also through a variety of social contribution activities which we promote through interactions with society leveraging the strengths and resources of the Group. SEKISUI CHEMICAL Group defines and promotes activities to contribute to the SDGs as the subset of the Group’s social contribution activities that lead to the formation of a sustainable society as targeted by the SDGs, positioning the environment, the next generation and local communities as the three main fields of activities.



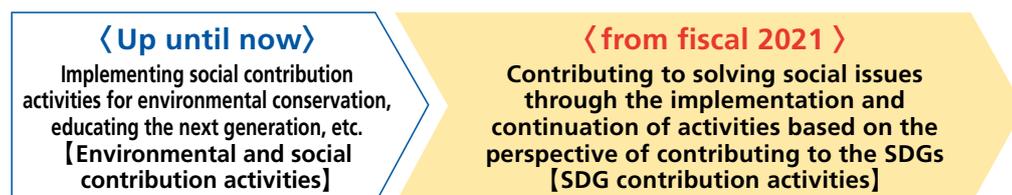
Actions that expand the ability to contribute to solving social issues

SEKISUI CHEMICAL Group believes that awareness of the SDGs is essential for contributing to solving social issues. By conducting social contribution activities from the viewpoint of the SDGs, the Group as a whole is looking to improve its ability to contribute to solving social issues. We will use the SDGs as a guidepost on what we can do to solve social issues as a member of society, and link this to our actions starting with those nearest to us.



Deploying activities to contribute to the SDGs Group-wide

Coordinating with the people in charge in each Group company, the Group spreads awareness of the SDGs while deploying autonomous activities to contribute to the SDGs by individual workplaces and employees, to foster a corporate climate that contributes to the SDGs. Essentially, the Group is shifting its awareness to goal-oriented activities to contribute to the SDGs, while continuing unchanged the actions to contribute to society conducted at each Group workplace. In so doing, the Group is transforming its activities into those that lead to the solving of social issues.



Promoting New Activities through the SDG Challenge

SEKISUI CHEMICAL Group is steadily working to increase understanding of the SDGs and interest in social issues by actively raising awareness that mainly involves disseminating information on each Group company's SDG contribution activities and sharing SDG-related information with those in charge.

As part of the SDG Challenge, the Group is also pursuing new activities, such as providing information on social contribution activity programs that show the relevance of SDGs in order to encourage people to take on the challenge of trying new, untried activities.

Fiscal 2021 Activities (Results)

As part of our SDG contribution activities, we implemented 75 initiatives at Group workplaces in Japan, of which 32 were new SDG Challenge activities. Due to the COVID-19 pandemic, many of these activities involved programs that could be implemented without gathering people (e.g., donating unused items and supporting food banks). Nevertheless, we believe that engaging in activities that differed from the past were very significant in terms of broadening our perspective on social contributions.

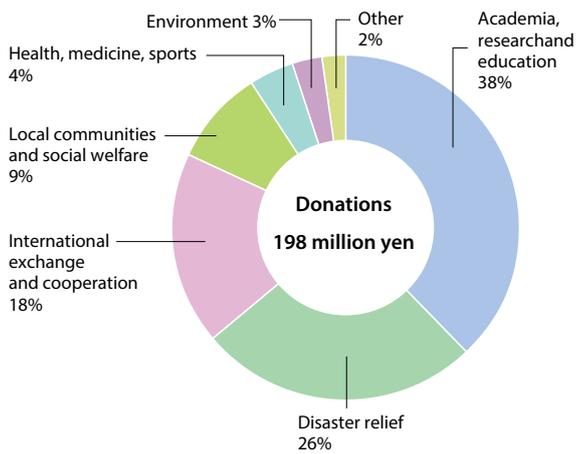
Performance Data

Details of donation activities in fiscal 2021 (SEKISUI CHEMICAL Group)

(Unit: Thousands of yen)

| Type of Donation | Total Amount |
|----------------------|--------------|
| Donations | 198,038 |
| Employee volunteers | 27,772 |
| Donations of goods | 3,662 |
| Administrative costs | 448 |

Breakdown of Cash Donations in Fiscal 2021



● Environment

SEKISUI CHEMICAL Group is promoting efforts to protect the richness of life below water and on land, SDGs 14 and 15, in a bid to preserve the natural environment of local communities.

Basic Concept

Contributing to the Conservation of the Natural Environment that Forms the Foundation of Society

SEKISUI CHEMICAL Group is working to conserve the natural environment in order to realize an earth with maintained biodiversity as stipulated in the SEKISUI Environment Sustainability Vision 2050.

Working in coordination with NPOs, we develop social contribution activities related to the local environment such as nature conservation activities in each region. We believe that it is effective to develop environmental human resources and solve social issues by having employees take the initiative in carrying out activities.

Despite the spread of COVID-19, Group offices carried out various measures including clean-up activities, forest conservation, and environmental education, at times when the anti-infection restrictions had been eased in fiscal 2021.

Major social and SDG contribution activities undertaken or participated in during fiscal 2021 (Domestic/Environmental fields)

| Business Site Involved in Activities | Details of Activities | Related SDGs | Coordination / Cooperation |
|---|---|--|---|
| Sekisui Heim Industry Co., Ltd. Kanto Site | Kasama Children's Nature Academy (Extracurricular classes: observation of organisms in waterfront areas) |   | Kasama Municipal Minami Gakuen Compulsory Education School |
| Sekisui Heim Industry Co., Ltd. Tokyo Site | Clean-up activities near the office |   | — |
| Chushikoku Sekisui Heim Industry Co., Ltd. | Forest maintenance activities in the city of Akaiwa |   | Akaiwa City (Forest creation agreement in coordination with businesses) |
| Kyushu Sekisui Industry Co., Ltd. | Kyusyu Sekisui Children's Nature Academy (Extracurricular classes: observation of biotope organisms) |   | Kanzaki Municipal Chiyoda Tobu Elementary School |
| Sekisui Seikei, Ltd. Izumo Plant SEKISUI SEIKEI IZUMO CO., LTD. | Nakaumi and Lake Shinji Clean-up Activities |   | Izumo City, others |
| East Japan Sekisui Industry Co., Ltd. Hanyu Site | Conservation activities for the endangered aldrovanda vesiculosa |   | Hanyu City Hall, Mujinamo Preservation Society |
| Sekisui Roof Tech Co., Ltd. Higashinihon Maintenance Center | Clean-up activities around Meguro River |   | — |
| Sekisui Chemical Co., Ltd. Taga Plant SEKISUI TAGA CHEMICAL INDUSTRY CO., LTD. | Conducted an independent study support course entitled Let's Become a Dragonfly Professor for local elementary school students. |   | TAGA TOWN MUSEUM Biodiversity Biwako Network |
| SEKISUI CHEMICAL CO., LTD. Kyoto R & D Laboratories | Higashiyama forest conservation activities |   | Council for Kyoto Traditional Forest Culture in the city of Kyoto |

Major Initiatives

Woodland conservation and afforestation activities

Working with local communities to conduct activities that protect the natural environment

Supporting Children’s Forest Creation Team Activities

【Site】 Sekisui Heim Chubu Group Nagoya City, Aichi Prefecture
Sendai City, Miyagi Prefecture

【Collaborating partner】 Nagoya Higashiyama Forest Creation Association

【Purpose】 • Conserve the satoyama (semi-natural ecosystems) of the city
• Support children’s satoyama experiences

【Continuity】 Participation since 2017

【Effect】 Fiscal 2021: Held once with 19 children participating

【Related SDGs】



Coordinating with the NPO Nagoya Higashiyama Forest Creation Association, which engages in activities to preserve the precious satoyama environment that remains in the Higashiyama district of Nagoya City, we support the activities of the Children’s Forest Creation Team, in which local children participate.

Supporting Tohoku Coastal Forest Restoration Activities

【Site】 Sekisui Heim Tohoku Group/Sendai City, Miyagi Prefecture

【Collaborating partner】 Disaster Area Uncultivated Land Relief and Regional Seedling Production Network

【Purpose】 • Restore coastal forests lost during the Great East Japan Earthquake
• Support children’s hands-on environmental learning

【Continuity】 Participation since 2015

【Effect】 Fiscal 2021: 25 children participated in the tree-planting festival, planted 17 Konara oak (quercus serrata) saplings

【Related SDGs】



In cooperation with the Disaster Area Uncultivated Land Relief and Regional Seedling Production Network, which works to restore the coastal forests that died out due to the Great East Japan Earthquake, we have been supporting coastal forest restoration and tree-planting activities since 2015.

Waterside environmental conservation activities

We are engaging in activities to preserve the biodiversity of the flora and fauna that live in the area and at the water-side.

Eradication of Invasive Aquatic Grasses in the Shinmachi River

【Site】 Shikoku Sekisui Co., Ltd./ Saijo City, Ehime Prefecture

【Collaborating partner】 Saijo Nature School

【Purpose】 Conserve native aquatic plants

【Continuity】 Activity since 2015, activities will continue in collaboration with NPOs in the future

【Effect】 Fiscal 2021: Conducted three times, removed 1,590 kg of foreign aquatic plants during year

【Related SDGs】



In collaboration with Saijo Nature School, a local NPO, Shikoku Sekisui Co., Ltd. employees work regularly to eliminate foreign aquatic plants such as water speedwell (*Veronica anagallis-aquatica*), watercress (*Nasturtium officinale*), and Western waterweed. In this manner, efforts are being made to preserve indigenous species such as curly-leaf pondweed (*Potamogeton crispus*).

Participation in Yurikago Rice Paddy Project

【Site】 Nishinohon Sekisui Industry Co., Ltd./
SEKISUI CHEMICAL CO., LTD. Shiga-Ritto Plant/
Ritto City, Shiga Prefecture

【Collaborating partner】 Agricultural and Rural Development
Promotion Division, Department of
Agriculture and Fisheries, Shiga Pre-
fecture; Kurimidezaike-cho, Higashio-
mi, Shiga

【Purpose】 Conserve species native to Lake Biwa (round cru-
cian carp, etc.)

【Continuity】 Activity since 2014, plans to continue in the fu-
ture

【Effect】 Fiscal 2021: Conducted twice, 131 people from the
company and from outside participated

【Related SDGs】



Since 2014, we have been participating in the Yurikago Rice Paddy Project, an activity to restore the paddy field environment to enable fish native to Lake Biwa to spawn, and taken part in rice planting and flora and fauna observation events as part of environmental education. We are also working with administrative bodies (Shiga Prefecture) and government agencies by, for example, providing the synthetic wood (FFU) remnants generated at our factories as materials for fish ladders.

Note: In 2016, we received the grand prize in the Corporate/Group Leader category at the Nature Conservation Society of Japan Awards

Environmental beautification/clean-up activities

SEKISUI CHEMICAL Group will improve the living environment and cooperate in resource recycling.

Participated in “Operation Ariake Sea Clean-up”

【Site】 Kyushu Sekisui Industry Co., Ltd./
Kanzaki City, Saga Prefecture

【Collaborating partner】 Saga Prefecture/Saga TV

【Purpose】 Protect the environment of the Ariake Sea (beach clean-up)

【Continuity】 New activity commenced in fiscal 2021

【Effect】 Fiscal 2021: Removed a total of 120 kg of garbage

【Related SDGs】



The Ariake Sea is a natural treasure trove inhabited by a variety of living things. To protect this marine treasure, we participated in Operation Ariake Sea Clean-up, a beach clean-up activity carried out in cooperation with the four Ariake Sea coastal prefectures: Saga, Fukuoka, Nagasaki, and Kumamoto. We will continue these activities so that the beautiful Ariake Sea can be handed down to the next generation.

Natural environment field trips (learning and training)

SEKISUI CHEMICAL Group is making efforts to convey the importance of the natural environment to the next generation.

Held Moist Forest Natural Environment Field Trips (extracurricular classes)

【Site】 CHIBA SEKISUI INDUSTRY CO., LTD./ Ichihara City, Chiba Prefecture

【Collaborating partner】 Ichihara Municipal Urutsu Elementary School (first- and second-year pupils)

【Purpose】 Convey the importance of the local natural environment to the next generation

【Continuity】 Activity since 2015

【Effect】 Fiscal 2021: Held twice with approximately 190 children participating

【Related SDGs】



Using Moist Forest, a grove of miscellaneous trees on leased land near its plant, CHIBA SEKISUI INDUSTRY engages in a wide range of activities aimed at promoting biodiversity and regional coexistence. Each year the Company invites elementary school pupils and holds extracurricular classes for nature observation.

Overseas Group Environmental Conservation Activities

SEKISUI CHEMICAL Group is also making efforts to protect the environment at Group business sites overseas.



Sekisui Voltek, LLC. (Americas)

Together with ReLeaf Michigan, an NPO, employees planted 25 trees on the side of the road at Coldwater High School.



Sekisui Industrial Piping Co., Ltd. (Taiwan)

Employees and their families participated in environmental education and clean-up activities along the coast at Daan Seaside Park, near our Taichung Factory.



● Next Generation

SEKISUI CHEMICAL Group will provide quality education as outlined in SDG Goal 4 through programs that leverage its manufacturing, products, and other characteristics, and promote lifelong educational opportunities.

Basic Concept

Helping to Build Local Communities in Which Children Can Develop and Healthily Grow into Adulthood.

Targeting communities where the children who will form the next generation can develop and healthily grow into adulthood, we are implementing career educational programs for elementary, middle and high school as well as tertiary students that leverage the characteristics of our business activities. This initiative is being conducted for children to acquire the knowledge, skills, and approaches that will lead to them living independent lives as members of society. SEKISUI CHEMICAL Group is advancing a wide range of activities such as field trip lessons that include science classes given by Company employees as well as online classes to learn about the SDGs through the Company's products and manufacturing.



| | Activity | Aim | Target | Cooperation | Division of roles | Continuity | Impact (Single-year fiscal 2021) (Numbers of people, etc.) | Impact (Cumulative number of people etc. including fiscal 2021 results) | Developability |
|---|--|--|--|--------------------------------|--|------------|--|---|---|
| 1 | SDGs education utilizing Edu Town SDGs electronic teaching materials | Next-generation children will learn about SDGs through manufacturing and develop the ability to think and act for themselves in solving social issues. | Elementary school upper grade years to junior high school students | Producer of teaching materials | <ul style="list-style-type: none"> Platform construction Provision of teaching materials Alliance participation | 2018~ | 30,116 page views* (* SEKISUI CHEMICAL-related pages only) | 41,148 page views* (* SEKISUI CHEMICAL-related pages only) | <ul style="list-style-type: none"> Collaboration with multiple companies through corporate alliances. We will continue to increase the number of companies Part of Web content made into a booklet and continues to be distributed free of charge to elementary and junior high schools nationwide. Planning to further expand web content |
| 2 | Online lessons to learn about SDGs | Under the theme of the SDGs, for which there is an increasing need in schools, we will utilize our unique expertise to bring about improvements in the next generation of young people's knowledge and ability to take action needed to solve problems toward the creation of a sustainable society. | Junior high school students | Education support company | Organizer (Teaching material provision and lecturers) | 2021~ | 230 | 230 | <ul style="list-style-type: none"> Online lessons can be conducted even during the COVID-19 pandemic Establishment of an operating system |

| | Activity | Aim | Target | Cooperation | Division of roles | Continuity | Impact (Single-year fiscal 2021) (Numbers of people, etc.) | Impact (Cumulative number of people etc. including fiscal 2021 results) | Developability |
|---|---|---|-----------------------------|---|---|------------|--|---|--|
| 3 | Chemistry Classroom Project (High Performance Plastics Company Minase Site) | Raise the next generation of children's interest in and passion for chemistry. | Junior high school students | Local junior high schools and junior high schools from which requests were received | Organizer | 2008~ | 980 | 32,035 | <ul style="list-style-type: none"> • Collaboration with teachers • Development of programs in line with textbook revisions |
| 4 | Science classes (Shikoku Sekisui Co., Ltd.) | Raise the next generation of children's interest in and passion for science. | Junior high school students | Local junior high schools | Organizer | 2009~ | 85 | 802 (Since 2010) | Implementation on a continuous basis |
| 5 | Science and Engineering Classroom (Sekisui Medical Co., Ltd.) | Conducting online lessons on the theme of career education and introducing will, role, and ability to students while associating them with the instructor's own work, will lead to raising awareness of students working and thinking about the future. | Junior high school students | Local junior high schools | Organizer | 2016~ | 211* (*Participants at Company lectures) | 2,706* (*Participants at Company lectures) | <ul style="list-style-type: none"> • Online lessons can be conducted even during the COVID-19 pandemic • Provided as content in lieu of junior high school work experience |
| 6 | SB Student Ambassador Block Meeting | Under the theme of the SDGs, we will utilize our unique knowledge to bring about improvements in the next generation of young people's knowledge and ability to take action needed to solve problems toward the creation of a sustainable society. | High school students | Initiatives Other companies | Teaching material provision and lecturers | 2020~ | 87* (*Participants at Company lectures) | 158* (*Participants at Company lectures) | Expand implementation area to rural areas (Company participates in east and west Japan meetings only) |
| 7 | Contribution to English teaching materials | Develop students' English proficiency by introducing corporate manufacturing through the products around them in English. This will lead to student job hunting and career education. | University students | Publishing companies | Contribution to teaching materials | 2020~ | Not disclosed | Not disclosed | <ul style="list-style-type: none"> • Use these teaching materials in university English classes • Expansion of schools that use teaching materials |

Major Initiatives

| Conducting online classes to learn about the SDGs

SEKISUI CHEMICAL Group prepares educational materials to help junior high school students learn about the SDGs. Utilizing these materials, the Group conducts online classes that cover efforts to solve social issues through products that enhance sustainability.

Taking into consideration prevailing conditions including the government's statement clarifying the need to nurture pioneers who will help create a sustainable society, the new training course guidelines implemented in earnest from fiscal 2020 identified the goal of fostering SDG leaders from the field of education. As a result, content related to the SDGs is now included in various subjects in elementary and junior high schools, as well as high schools throughout Japan.

Meanwhile, SEKISUI CHEMICAL Group is working diligently to realize a sustainable society that achieves the SDGs through the creation and market expansion of products to enhance sustainability that provide a significant contribution to solving social issues. Taking advantage of our unique knowledge and experience, we have prepared SDG educational materials that can be used in school classes, with the aim of improving the next generation's knowledge and ability to take action to solve problems to create a sustainable society, under the theme of the SDGs, for which there is a growing need in schools. As a manufacturing company, the educational materials convey our contribution to solving social issues through sustainable products.

As a preparatory step in supporting school education that address concerns surrounding the COVID-19 pandemic, we conducted online classes at two schools on a test case basis during the current fiscal year. Looking ahead, we plan to develop this activity as a new Group program of social contribution activities.

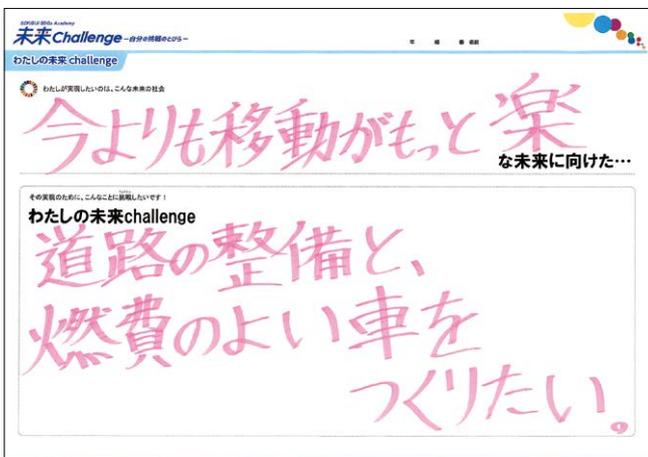
As identified under Vision 2030, we support the basis of LIFE and will continue to create peace of mind for the future, in order to realize a sustainable society. To this end, SEKISUI CHEMICAL Group is supporting education of the next generation who will build the future through the aforementioned and other activities.



Online class



A student presentation (facing a laptop camera)



An example of a student's hope for a future where no one is left behind.

Activities by Shikoku Sekisui Co., Ltd.**Science classes on various topics including distinguishing items, objects and substances, and the properties of substances**

Shikoku Sekisui Co., Ltd. held a science class for first-year students of Saijo Municipal Nishi Junior High School in Ehime Prefecture. An annual event since 2009, this initiative was suspended last year due to the pandemic. This year, 66 students and seven teachers visited Shikoku Sekisui for a 2.5-hour program that included company presentations, classes, and a factory tour.

On the topic of distinguishing items, one class called on participants to examine cups made from four different materials (glass, plastic, paper, and metal) and ask: "Where are these cups used?" and "What properties are applied?" An experiment to investigate the properties of plastic was also held. Four kinds of plastic pieces that looked the same were prepared. Students conducted two experiments: one to examine the density of plastic by floating it in water, and another to observe combustion by burning test plastic pieces. Results were then recorded on tablets.

In conclusion, students looked at how to make plastic products and then participated in a factory tour. Based on a comparison with how to make chocolate, students were provided with an explanation of injection molding, one of Shikoku Sekisui's main manufacturing methods. The tour encompassed every facet of the manufacturing process up to the final product.

Working with local residents, Shikoku Sekisui hopes to continue this activity in the future.



An experiment to investigate the properties of plastic

Supporting SDG learning events for high school students (SB Student Ambassador block competition)

Endorsing the concept of SDG learning events for senior high school students, SEKISUI CHEMICAL Group once again participated as a sponsor and lecturer while also providing learnings materials to the SB Student Ambassador block competition in similar fashion to 2020.

This event is hosted by the Japan Chapter of SB Forum, which operates one of the world's largest and most visited websites on sustainability.

In addition to deepening the knowledge of high school students, the future leaders of the next generation, on the latest sustainability initiatives, this event serves as a forum for students to share their values and what they want from society, and work toward the co-creation of a sustainable society.

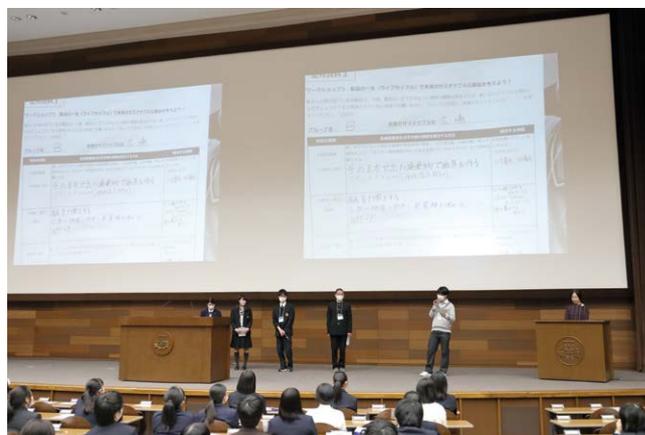
High school students participating in this event learn about the SDGs through keynote speeches by the Company and workshops.

SEKISUI CHEMICAL Group conducts lectures and workshops that encourage participants to think about solving social issues throughout the life cycle of its products. Each initiative was acknowledged favorably with participating high school students commenting: "I was particularly interested in the fact that the Company is backcasting toward 2030 and 2050, considering business goals and processes in detail, while working to achieve the SDGs not only in their products, but also in manufacturing process." Other comments included: "I was surprised at the safety and environmental friendliness of familiar items such as sewage pipes and sustainable home construction."

SEKISUI CHEMICAL Group will continue to support the education of the next generation who are responsible for building the future based on the knowledge and experience gained from solving social issues through its products.



Lecture for high school students



Workshop content presentation at the summary session

Overseas Group Next-generation Training Activities

SEKISUI CHEMICAL Group also engages in efforts to nurture the next generation at its overseas Group sites.

SEKISUI KYDEX (America)

Ten students from the Southern Columbia School District visited SEKISUI KYDEX for a video shoot on the theme “What’s So Cool About Manufacturing.”

Students were provided with an explanation about future careers in the manufacturing industry while participating in a tour of the plant. This initiative was an opportunity to educate students about monozukuri.



● Local Communities

SEKISUI CHEMICAL Group places considerable emphasis on partnerships as set forth in SDG Goal 17, and promotes activities in cooperation with regional local governments, NPOs, and other organizations.

Basic Concept

Contributing to the Creation of a Sustainable Society as a Corporate Citizen

As a member of the local communities in which it operates, SEKISUI CHEMICAL Group proactively deploys social contribution activities and thereby hopes to contribute to the creation of a sustainable society. The Group works to create safe and secure cities in collaboration with local communities, supports programs that assist developing countries, and engages in various other activities in order to deepen the understanding of and help solve issues faced by local communities.

Major social and SDG contribution activities undertaken or participated in during fiscal 2021 (Domestic /Local Community fields)

| Business Site Involved in Activities | Details of Activities | Main Related SDGs | Coordination / Cooperation |
|---|---|--|---|
| Sekisui Heim Shinetsu Co., Ltd. | Food donations |  | NPO hotline-shinshu |
| Sekisui Heim Industry Co., Ltd. Chubu Site | Drinking water donation |  | NPO FoodBank YAMANASHI |
| Sekisui Chemical Co., Ltd. Gunma Plant East Japan Sekisui Industry Co., Ltd. | Food donations |  | Foodbank Maebashi |
| Chiba Sekisui Industry Co., Ltd. | Drinking water donations |  | Ichihara Seikatsusoudan Support Center |
| Nara Sekisui Co., Ltd. Sekisui Home Techno Co., Ltd. Nara Site | Food donations |  | Yamatokoriyama City Social Welfare Council NPO Seijun Tasukeai Kodomo Shokudo (Helping Hand Children's Cafeteria) |
| Toto Sekisui Co., Ltd., other | Old clothing donations furugidevacine |  | JAPAN REUSE SYSTEM |
| Kyushu Sekisui Industry Co., Ltd. | Participation in vegi-up championships |  | Saga Prefecture Health Promotion Section |
| Tokuyama Sekisui Industry Co., Ltd. | Cooperation in purchasing raw milk |  | Ministry of Agriculture, Forestry and Fisheries |
| Sekisui Chemical Co., Ltd. Taga Plant | Local production for local consumption awareness-raising activities |  | AIM SERVICES CO., LTD., local stores, other |
| Sekisui Chemical Co., Ltd. Tokyo headquarters | Umbrella donations |  | NPO World Gift |

Major Initiatives

Contributions to local communities through the use of factories

We cooperate with extracurricular classes at local elementary and other schools and conduct factory tours.

Exploring cities through factory tours (extracurricular class/Life science)

【Site】Sekisui Heim Industry Co., Ltd. Kinki Site/Nara City

【Collaborating partner】Nara Municipal Tatsuichi Elementary School

【Purpose】

- Deepen children's understanding of local communities
- Promote community interaction and collaboration

【Continuity】First held in fiscal 2021 (new activity)

【Effect】Fiscal 2021: Learning experience for six second year elementary school students

【Related SDGs】



In support of efforts to help children better understand the local community through contact with the businesses and workers in their school districts, SEKISUI CHEMICAL Group conducted factory tours for neighborhood elementary school students. Moving forward, we will continue to value our connection with the local community and pass on to the children of the next generation the importance of monozukuri, connections with the community, and the environment.

Activities to Improve Civic Order in Local Communities

Sekisui Heim sales companies and local police headquarters have signed an agreement to conduct educational activities on crime prevention and traffic safety.

Traffic Safety Campaign

【Site】 Ibaraki Sekisui Heim Group/ Mito City, Ibaraki Prefecture

【Collaborating partner】 Hitachi Police Department

【Purpose】 Contribute to the creation of a safe and secure society by educating the public to reduce traffic violations and traffic accidents in the community

【Continuity】 Activity since 2012

【Effect】 Fiscal 2021: Raised awareness among approximately 200 visitors to the venue

【Related SDGs】



Working with the local police department to promote traffic safety, we will contribute to the community by helping to reduce traffic violations and accidents and to build a community where people can live with peace of mind.

Cooperation with NPOs, etc. (Social Support)

SEKISUI CHEMICAL Group is helping solve local community issues.

Food Bank Support (Providing Emergency Food Sets)

【Site】 Shikoku Sekisui Co., Ltd./ Saijo City, Ehime Prefecture

【Collaborating partner】 eWork Ehime (Ehime food bank egao)

【Purpose】 ・ Support families in need and children’s cafeterias

・ Reduce food loss

【Continuity】 First held in fiscal 2021 (new activity)

【Effect】 Fiscal 2021: Donated 75 emergency food sets (equivalent of three days)

【Related SDGs】



In an effort to support families in need and children’s cafeterias impacted by the ongoing pandemic, emergency supplies at business sites were quickly exchanged and donated to local food banks. In addition to providing the opportunity for interaction with local communities, this initiative also helped to reduce food loss. Moving forward, the Group will continue to promote this and similar initiatives.

Blood Drives

【Site】 Sekisui Heim Industry Co., Ltd. Chubu Site/Toyohashi City, Aichi Prefecture

【Collaborating partner】 Red Cross Blood Center, Aichi Prefecture

【Purpose】 Medical and life-saving support

【Continuity】 Activity since 2005 (conducted on 27 occasions (cumulative total))

【Effect】 Fiscal 2021: Blood donations from 21 employees

【Related SDGs】



Blood drives are held at business sites for use in the treatment of illnesses and in surgeries. In 2021, the company received the Golden Order of Merit from the Japanese Red Cross Society in recognition of its steady and continuous activities since 2005.

Cooperation with NPOs, etc. (International support)

By supporting the activities of NPOs and other organizations, SEKISUI CHEMICAL Group also helps solve international issues.

TABLE FOR TWO

As a social contribution activity that allows easy participation by individual employees, SEKISUI CHEMICAL Group has continued to implement the TABLE FOR TWO (TFT) initiative since 2008, a program in which 20 yen of each meal served in employee cafeterias donated to support the provision of lunches to children in developing countries.

[Fiscal 2021 Results]

| Program | Number of implementing business sites | Total number of school lunches provided to developing countries |
|-------------------------------------|---------------------------------------|---|
| TABLE FOR TWO (Employee cafeterias) | 10 business sites | 20,218 |
| TABLE FOR TWO Vending Machines | 2 business sites | (Equivalent of) 3,242 |



[Implementing business sites]

SEKISUI CHEMICAL headquarters in Tokyo and Osaka, the Gunma Plant, the Musashi Plant, the Shiga-Minakuchi Plant, Kyoto Research and Development Laboratories, Research and Development Institute, Tsukuba Office, Ota Plant of Toto Sekisui Co., Ltd., Tokuyama Sekisui Co., Ltd., and Sekisui Heim Industry Co., Ltd. Kinki Site (11 sites)

[Collaborating partner] Specified nonprofit corporation, TABLE FOR TWO International

[Purpose]

- Feed hungry children in developing countries by providing them with school lunches
- Help prevent lifestyle diseases in developed countries

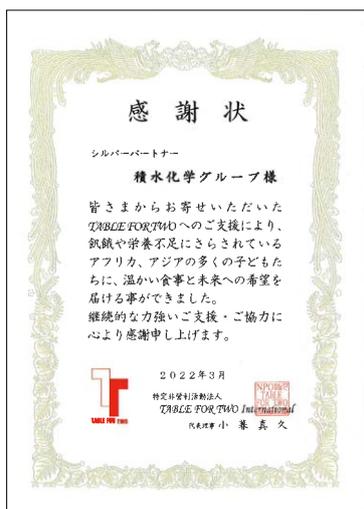
[Continuity] SEKISUI CHEMICAL Group activity since 2008 (ongoing)
(Vending machine-based donation activity since 2013)

[Effect] Fiscal 2021: School lunch support totaling 23,460 meals Group-wide

[Related SDGs]



In recognition of its support, TABLE FOR TWO certified SEKISUI CHEMICAL Group as a Silver Partner while awarding the Company a letter of appreciation. We will continue carrying out these activities in the future, supporting a stable food supply for children in developing countries.



Letter of thanks from TABLE FOR TWO International



BOOK MAGIC

As a social contribution activity that allows easy participation by individual employees, SEKISUI CHEMICAL Group has been implementing the BOOK MAGIC program, organized by JEN (NPO) since 2009. By donating the money collected from the sale of unneeded books and CDs under this program to help fund global School Support programs, SEKISUI CHEMICAL Group is working to provide educational support to children worldwide.

[Fiscal 2021 Results]

| Program | Number of implementing business sites | Implementation frequency | Donation amount (Total) |
|------------|---------------------------------------|--------------------------|-------------------------|
| BOOK MAGIC | 20 business sites | 15 times | 100,930 yen |

【Implementing business sites】

SEKISUI CHEMICAL headquarters in Tokyo and Osaka, Tsukuba Office, Gunma Plant, UIEP Company Chubu and Tohoku branches, Hokkaido Sekisui Heim Industry Co., Ltd., Hokkaido Sekisui Fami S Co., Ltd., Hoppou Jyubunka Institute Co., Ltd., Sekisui Board Co., Ltd. Gunma Plant, EnviroLife Research Institute CO., LTD., SEKISUI HEIM Real Estate Co., Ltd., Shikoku Sekisui Co., Ltd., Higashinohon Sekisui Industry Co., Ltd., Nara Sekisui Co., Ltd., Sekisui Home Techno Co., Ltd. Nara Site, Sekisui Seikei, Ltd. Hyogo-Takino Plant, Chubu Sekisui Shoji Co., Ltd., Tokuyama Sekisui Industry Co., Ltd., and Sekisui Medical Co., Ltd. Iwate Plant (20 sites)

【Collaborating partner】 JEN (NPO)

- 【Purpose】**
- Support education of children around the world
 - Reuse books and other materials that are no longer required (resource circulation)

【Continuity】 SEKISUI CHEMICAL Group activity since 2009 (ongoing)

【Effect】 Fiscal 2012: conducted on 15 occasions Group-wide)

【Related SDGs】

A growing number of sites took part in BOOK MAGIC, a new initiative in fiscal 2021, as a social contribution activity in which many employees can freely participate despite the impact of the pandemic. In addition to their reuse as resources, the donation of unused books and other materials can serve a variety of purposes including support for the education of children around the world. In helping achieve multiple SDGs, SEKISUI CHEMICAL Group will continue to promote this initiative going forward.

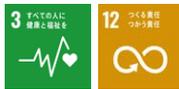
Overseas Group Local Community Support Activities

SEKISUI CHEMICAL Group also engages in efforts to support local communities at its overseas Group sites.



Sekisui Specialty Chemicals Thailand Co., Ltd.
(Thailand)

With the shortage of medical suits (PPE suits) in many hospitals due to COVID-19, employees helped collect plastic bottles to recycle into PPE gear for medical professionals.



Sekisui Polymatech (Shanghai) Co., Ltd.
(China)

To contribute to people’s health, SEKISUI CHEMICAL Group holds an annual free blood donation campaign for its employees. In fiscal 2021, 26 employees participated in the blood drive.

