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## CHAPTER 4

# TOWARDS A BETTER, SUSTAINABLE SOCIETY (CSR)

## Message From the Chair of the CSR Committee

### CSR in the Sumitomo Corporation Group



**Yasuyuki Abe**

Director, Senior Managing  
Executive Officer,  
General Manager,  
Corporate Planning &  
Coordination Group

### CSR in the Sumitomo Corporation Group

In the preamble to the Corporate Mission Statement, the Group sets out its corporate vision: “We aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.” The statement continues to describe the corporate mission, which is, “To achieve prosperity and realize dreams through sound business activities,” and Sumitomo Corporation’s management style, which is, “To place prime importance on integrity and sound management with utmost respect for the individual.”

The Sumitomo Corporation Group regards CSR as working to achieve our corporate vision by staying true to the management style described in our Corporate Mission Statement, engaging in responsible corporate management, and working to fulfill our corporate mission. In other words, CSR centers on sound business activities. Specifically, every member of the organization is expected to perform their daily duties with spirit and a lofty sense of ethics, thereby putting into practice our Corporate Mission Statement.

This approach is founded on gaining an understanding of social issues by engaging in dialogue with a variety of stakeholders, and working strategically through business activities to resolve them. In doing so, we create new value and promote sustainable growth of society and the Group. We will celebrate the centennial anniversary of our founding in 2019. To ensure that we are among the first to respond to the dramatically changing business environment and continue to grow along with society for another 50 years, 100 years, and beyond, we believe it is critical that we consider what we can

and should do as an organization, and then follow up by devising and implementing business strategies.

### Progress and Achievements of Our CSR Efforts

One key step we took to put CSR into practice over the past year was working to deepen employees’ understanding of our Corporate Mission Statement—the foundation of the Group’s CSR activities. We took opportunities to further entrench this statement globally. Meanwhile, since signing the UN Global Compact in March 2009, the Sumitomo Corporation Group has also been an active participant in a local network—the Global Compact Japan Network. In fiscal 2012, we took part in workshops on supply chain CSR and human rights. We used these opportunities to exchange views with individuals from companies in diverse industries and learn from other firms’ examples and experts, working to improve upon our promotion of CSR. I serve as the Chair of Sumitomo Corporation’s CSR Committee, an advisory body to the President and CEO. At the end of fiscal 2012, the CSR Committee conducted a review of CSR-related measures, and established a policy for fiscal 2013. Based on this policy, we are working to further enhance the quality of our measures to promote CSR. We have started working on a mechanism for performing self-checks of current CSR initiatives making reference to the ISO 26000 international CSR guideline, identifying priority tasks, and implementing related improvement activities.

### On Annual Report 2013

Sumitomo Corporation has published a print edition of the Report on Responsibility & Sustainability up until fiscal 2012. While the report will still be available on our website, we will be integrating the print edition with our annual report from Annual Report 2013 onwards. The annual report will offer greater information, including on CSR initiatives, and provide more detailed reporting of the Group’s CSR promotion as well as its social and environmental initiatives. It also introduces the CSR initiatives that each business unit is implementing through its business activities in the overview of operations section.

While continuing to pursue an involvement with CSR that is appropriate for a corporate group with global operations, the Sumitomo Corporation Group will realize its corporate vision by striving to create value that nobody else can match in ways befitting our distinctive identity.

## Major CSR Promotion Activities

### CSR Promotion Structure

Since establishing the Environment & CSR Department in April 2008, Sumitomo Corporation has aggressively pursued CSR in cooperation with relevant internal departments, domestic and overseas business bases, and Group companies. We have also established the CSR Committee as an advisory body to the President and CEO. The committee's activities include examining and discussing the Company's CSR frameworks and promotion measures. In addition, we set up the Global Environment Committee within the CSR Committee to promote environmental management activities based on the ISO 14001 standard, and to review and discuss relevant policies and concrete initiatives.

The CSR Committee is headed by the General Manager of the Corporate Planning & Coordination Group, and its members are General Managers from the Corporate Group. The committee meets biannually in principle. At the CSR Committee meeting in March 2013, a CSR policy for fiscal 2013 was established after reviewing the steps taken in fiscal 2012. In fiscal 2013, the policy is to use international codes of conduct pertaining to CSR, such as ISO 26000, as

references for measures to further raise the quality of CSR promotion. In social contribution activities, the plan focuses on developing the next generation of human resources, setting out to bolster initiatives such as the Sumitomo Corporation Scholarship (please see pages 94–95) and the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan (please see pages 96–97).



### Promoting a Deeper Understanding of Our Corporate Mission Statement Throughout the Group Worldwide

We believe ongoing value creation and widespread contributions to society through business activities start with practicing our Corporate Mission Statement. Accordingly, we take every opportunity to deepen the understanding of this statement and expand its reach throughout the Group. We include employees of all ranks, locally hired employees at overseas offices, and employees of Group companies in our various training programs to enhance awareness and penetration of the Corporate Mission Statement. We also utilize tools like e-learning and training materials developed in-house to foster greater understanding of the story behind the establishment of the Corporate Mission Statement as well as Sumitomo's Business Philosophy that is its underlying foundation. Our organizations overseas are also leading initiatives to

raise employee awareness in step with advancement of our global operations. By ensuring that every Sumitomo Corporation Group employee fully grasps the Corporate Mission Statement and puts it into practice in their daily business activities, we will demonstrate our core competence—our integrated corporate strengths—on a global scale. We also believe that sharing these values with our business partners around the world will enable us to build a more solid, sustainable business foundation.



Training for locally hired employees

### Initiatives for the United Nations Global Compact

The Sumitomo Corporation Group has declared its support for the 10 principles of the UN Global Compact, as this international CSR-related initiative and our Corporate Mission Statement share similar values. With our participation in the Global Compact, we committed ourselves to making further improvements by constantly considering enhancements to our business activities in light of the values advocated by the 10 principles.

Additionally, we continued to participate in the activities of the Global Compact Japan Network. In the Human Rights Subcommittee, we discussed CSR practices related to human rights with

corporate participants from diverse industries. Topics of discussion included perceptions of human rights issues in international codes of conduct, methods of establishing human rights policies, and ways of promoting due diligence with respect to human rights. We learned from both the knowledge of experts and examples set by leading companies.

\* We also support the Universal Declaration of Human Rights, which the 10 principles of the UN Global Compact are derived from.



### Initiatives for Supply Chain CSR

To learn more about our supply chain CSR management, please refer to the following website. <http://www.sumitomocorp.co.jp/english/csr/policy/>

## Environmental Initiatives

### Environmental Management

Throughout its 400-year history, the Sumitomo Group has pursued industrial development that co-exists with local communities and the natural environment. Using the experience it has built up over this long period, the Sumitomo Corporation Group is committed to contributing to the sustainable development through sound business activities that take into account global environmental issues.

### Environmental Policy

All Group companies carry out environmentally sound management under a common environmental policy, including those participating in the Group's environmental management system,

in order to reduce our environmental impact and improve environmental conditions through our business activities.

#### Sumitomo Corporation Group Environmental Policy

The Sumitomo Corporation Group recognizes that environmental issues are global in scale and are long-term matters affecting future generations. As a global organization, the Sumitomo Corporation Group, through sound business activities, will strive to achieve sustainable development aimed at symbiosis between social and economic progress and environmental preservation. With this as its basic policy, the Sumitomo Corporation Group strives to achieve environmental management in its commercial trading, business development, and investment, etc., based on the guidelines stated below.

##### I. Basic Policy

The Sumitomo Corporation Group recognizes that environmental issues are global in scale and that they are long-range concerns affecting future generations. As a global organization, the Sumitomo Corporation Group, through sound business activities, will strive to achieve sustainable development aimed at symbiosis between social and economic progress and environmental preservation.

##### II. Basic Guidelines

In pursuing its diversified business activities both within Japan and overseas, the Sumitomo Corporation Group shall comply with the following guidelines, and, through cooperation between its Group companies, work to achieve the aims of its basic environmental policy.

###### 1. Basic stance with regard to the environment:

To attach great importance to protecting the global environment as a good corporate citizen in keeping with its Activity Guidelines.

###### 2. Compliance with environmental legislation:

To strictly observe legislation related to environmental matters not only in Japan but also overseas and abide by any agreements undertaken by the Group companies.

###### 3. Caring for the natural environment:

To protect the natural environment and preserve biodiversity.

###### 4. Efficient use of resources and energy:

To be mindful of the finite availability of resources and energy and strive to use them both efficiently and effectively.

###### 5. Contributing to the building of a recycling-oriented society:

To endeavor to help build a recycling-oriented society by reducing waste and reusing and recycling resources.

###### 6. Promotion of businesses that contribute to environmental preservation:

To utilize our integrated corporate strength to promote businesses and projects, which contribute to environmental preservation and reduction of the impact of society on the natural environment.

###### 7. Establishment of environmental management:

To use an environmental management system to prevent environmental pollution and set environmental objectives and targets which are regularly reviewed and continuously upgraded.

###### 8. Disclosure of the Environmental Policy:

To communicate this Environmental Policy to all people who are working for or on behalf of the Sumitomo Corporation Group, as well as disclosing it externally.

June 22, 2012  
President and CEO, Sumitomo Corporation  
Kuniharu Nakamura

### Environmental Management System

The Group has obtained certification for the ISO 14001 standard and has been working to implement environment management activities.

Led by Sumitomo Corporation's President and CEO, the Group's multi-site system enables unified environmental management of many different offices and organizations in line with the Sumitomo Corporation Group Environmental Policy. As of June 2013, approximately 19,000 employees in total from all domestic

locations of Sumitomo Corporation and its 30 Group companies are participating in these environmental management activities.

For information about Group companies that have obtained ISO 14001 certification independently, please refer to our corporate website.

[http://www.sumitomocorp.co.jp/english/csr/environment/manage/iso\\_management/](http://www.sumitomocorp.co.jp/english/csr/environment/manage/iso_management/)



ISO14001  
JQA-EM0451

## Environmental Objectives and Targets

### Environmental Objectives, Targets and Results for Fiscal 2012 (Sumitomo Corporation)

Management Area	Objective	Fiscal 2012 Target	Achievement Level (15 months from January 2012 to March 2013)
Environmental business	Improve the environment through business operations and expand environmental business	Promote projects to save energy and reduce greenhouse gas emissions	<ul style="list-style-type: none"> <li>Promoted a CO<sub>2</sub> emissions reduction project aimed at preventing peat fires in Indonesia</li> </ul>
		Expand business utilizing renewable energy	<ul style="list-style-type: none"> <li>Promoted geothermal and hydroelectric power projects in Asia and Oceania as well as new wind power projects in the U.S. and South Africa</li> <li>Pushed forward new solar power generation projects in Southern Europe, the U.S. and Japan</li> <li>Purchased surplus electric power from solid energy-from-waste plants and purchased Renewable Energy Certificates in Japan</li> </ul>
		Promote business operations that help create a recycling-oriented society	<ul style="list-style-type: none"> <li>Promoted a waste home appliance recycling business in China</li> <li>Promoted PET bottle recycling business in Japan</li> </ul>
Management of environmental impact	Reduce environmental impact of business operations	Monitor and reduce electricity, gas consumption, and waste emissions in all offices in Japan	<ul style="list-style-type: none"> <li>Implemented measures aimed at reducing total electricity consumption by 1% each year Fiscal 2010 result: 10,744 million kWh Fiscal 2011 result: 8,638 million kWh (reduced by 19.6% year-on-year) Fiscal 2012 result: 8,093 million kWh (reduced by 6.3 % year-on-year)</li> <li>Received third-party assurance for energy consumption and CO<sub>2</sub> emissions</li> </ul>
		Assess environmental impact caused by business operations	<ul style="list-style-type: none"> <li>Carried out appropriate environmental impact assessment and soil pollution surveys in a timely manner</li> </ul>
		Assess and promote the reduction of environmental impact of the supply chain involved	<ul style="list-style-type: none"> <li>Started disclosing Scope 3 emissions</li> </ul>
Hazardous substance management	Comply with chemical substance regulations	Increase the level of chemical substance control. More actively encourage suppliers and consignees to participate	<ul style="list-style-type: none"> <li>Conducted monitoring in accordance with applicable laws, including the revised Chemical Substances Control Law, the revised PRTR Law, and the Poisonous and Deleterious Substances Control Law</li> <li>Confirmed issuance and receipt of SDSs</li> </ul>
		Ensure safe transportation and storage of hazardous substances in corporation with consigned companies	<ul style="list-style-type: none"> <li>Ensured proper management of ledgers on the transportation and storage of poisonous and hazardous materials and high-pressure gas</li> </ul>
Logistics management	Promote energy conservation in logistics	Establish and implement a specific energy conservation plan for transportation as a cargo owner	<ul style="list-style-type: none"> <li>Worked to improve energy consumption efficiency as a "specified consigner," defined in the Act on the Rational Use of Energy. As a result, energy consumption efficiency improved by 4% (based on annual energy consumption per ton of cargo shipped) over the past 5 years</li> <li>Our total domestic cargo transportation of 1,704 thousand tons of products amounted to 160 million ton-kilometers</li> <li>Our energy consumption during fiscal 2012 was 2.04 kl/thousand tons (crude oil equivalent)</li> </ul>
		Strengthen links with domestic carriers to achieve efficient transportation and analyze their efficiency	<ul style="list-style-type: none"> <li>Improved energy consumption efficiency by encouraging carriers in Japan to use larger trucks and ships and increase load efficiency</li> </ul>
Legal compliance	Proper disposal of waste in accordance with the Waste Disposal and Public Cleaning Act	Improve employee training on the Waste Disposal and Public Cleaning Act	<ul style="list-style-type: none"> <li>Held a Waste Management Procedure Seminar led by an internal logistics department in order to provide training on basic knowledge of proper treatment of industrial waste generated in the logistics process Held in February 2012 in Tokyo (Televised in 10 locations in Japan): 280 participants Held in January–February 2013 in Tokyo and Osaka (Televised in seven locations in Japan): 173 participants</li> <li>Held an industrial waste treatment procedure seminar and an on-site treatment facility inspection seminar after providing training on trends in amendments to laws and regulations, actual examples of administrative sanctions based on ordinances and other topics (see page 85)</li> </ul>
		Implement on-site inspection and improve management systems within Group companies often disposing of waste materials. Promote information sharing with other Group companies	<ul style="list-style-type: none"> <li>Improved waste management system by conducting ISO activities to raise awareness in all departments. Shared documents and records</li> <li>Conducted on-site inspections of waste disposal companies</li> </ul>
Environmental education	Raise employees' environmental awareness	Hold seminars on environmental conservation and other programs	<ul style="list-style-type: none"> <li>Held an in-house seminar, inviting Toyoki Kozai, Professor Emeritus of Chiba University, to lecture on "Plants: the Unshakable Leading Player"</li> </ul>
		Disseminate related information by the ISO Office (Environment & CSR Department)	<ul style="list-style-type: none"> <li>Proactively collected environment-related information from the media, organizations, corporations, and others for dissemination to employees</li> </ul>

### Environmental Objectives and Targets for Fiscal 2013 (Sumitomo Corporation)

Management Category	Objective	Fiscal 2013 Target
Environmental business	Improve the environment through business operations and expand environmental business	Promote projects to save energy and reduce greenhouse gas emissions
		Expand business utilizing renewable energy sources
		Promote business operations that help create a recycling-oriented society
Management of environmental impact	Reduce environmental impact of business operations	Monitor and reduce electricity, gas consumption, and waste emissions in all offices in Japan
		Assess environmental impact caused by business operations
		Assess and promote the reduction of environmental impact of the supply chain involved
Hazardous substance management	Comply with chemical substance regulations	Increase the level of chemical substance control. More actively encourage suppliers and consignees to participate
Logistics management	Promote energy conservation in logistics	Establish and implement a specific energy conservation plan for transportation as a cargo owner
		Strengthen links with domestic carriers to achieve efficient transportation and analyze their efficiency
Legal compliance	Proper disposal of waste in accordance with the Waste Disposal and Public Cleaning Act	Improve employee training on the Waste Disposal and Public Cleaning Act
		Implement on-site inspections and promote information sharing with other Group companies
Environmental education	Raise employees' environmental awareness	Hold seminars on environmental conservation and other programs
		Disseminate related information by the ISO Office (Environment & CSR Department)



## CSR Through Business Activities

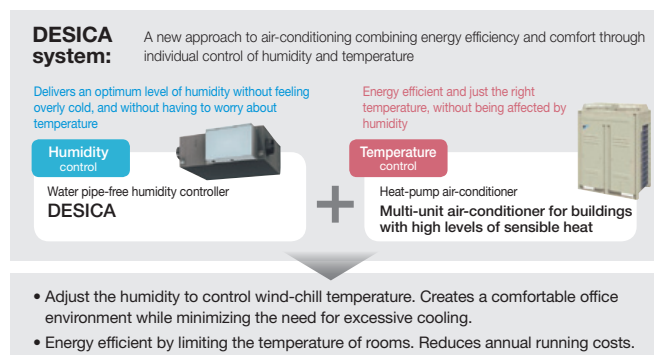
The Sumitomo Corporation Group recognizes that environmental issues are global in scale, and are long-term matters that will affect future generations. As a global organization, the Group has established an environmental policy of striving to achieve sustainable development, by way of sound business activities, aimed at symbiosis between social and economic progress and environmental preservation.

### Environment-friendly Buildings

The Group owns and manages approximately 1,100,000 m<sup>2</sup> of owned and managed buildings (including jointly owned and sub-leased properties) mainly in central Tokyo and Osaka, but also in Sapporo, Nagoya, and Fukuoka as well as overseas. In building development, the Group's buildings come standard with air conditioning systems that achieve both energy efficiency and comfort, and also have greenery features that harmonize with the natural environment. In these and other ways, the Group strives to help preserve the environment while creating refreshing spaces for office workers.

#### ■ Comfort and Energy Efficiency Through the DESICA Air-conditioning System

In the field of new building development, the Group, along with Nikken Sekkei Ltd., Daikin Industries, Ltd. and various experts, successfully commercialized the DESICA commercial air-conditioning system after conducting joint performance verification trials. Equipped with a dehumidifying system that can be controlled independently of air conditioning operation, the DESICA system provides far superior dehumidification capacity than conventional air-conditioning units. As a result, even if the thermostat for air conditioning is set at a high room temperature, the temperature people actually feel in the room can be effectively lowered by reducing the humidity. Conversely, in winter, humidity can be increased to achieve a warming effect even at low room temperature settings. In this way, DESICA is a next-generation technology that achieves both energy savings and comfort at the same time. While continuously upgrading the system further by confirming actual operational status and performance, we plan to install this system as a standard feature in all of the buildings to be developed by the Company in the future.



#### ■ Developing Greenery in Harmony With the Natural Environment

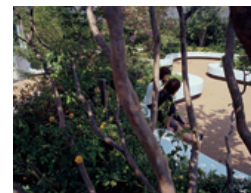
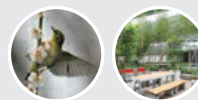
In Harumi Triton Square, Chuo-ku, Tokyo, which opened in April 2001, we planted over 600 varieties of trees and flowering plants to create a relaxing and comfortable outdoor space where seasonal flowers blooming at different times would provide year-round color and attract birds. The public square of this complex soothes the soul while at the same time reducing the heat island effect.

We are also applying the environmental expertise and technology learned from Harumi Triton Square to building development projects in Kanda, Chiyoda-ku, Tokyo, where we are focusing on urban development. Here, we are creating urban green zones with an emphasis on biodiversity. For example, we are conducting field monitoring of the flight patterns of wild birds, and using this study to change how we approach developing greenery for each building based on the surrounding ecosystem network. A "Green Network" has been planned for the surrounding natural environment, including the Imperial Palace, Ueno and Yushima in central Tokyo, to contribute to environmental conservation in those areas.

#### Linking Greenery

Greenification of each building for maximizing biodiversity

Designed to attract wild birds from the surrounding environment, wall greenification with a plant-based theme can be used in a multitude of different ways such as smoking areas surrounded by greenery, edible gardens, and others.



The Sumitomo Corporation Yaesu Building (rooftop garden)

#### Review of greenification of every building with ecosystem networks

Simply planting trees will not attract birds

→ Monitoring tests and analysis of flight patterns of wild birds



The Sumitomo Corporation Takebashi Building

#### Sumitomo Building Received the 22nd BELCA Award in the Long-life Category

The Sumitomo Building in Osaka, which is managed and operated by the Group, received the 22nd BELCA Award in the Long-life category. Now in its 22nd year, this award was established in 1991 by the Building and Equipment Long-life Cycle Association (BELCA) to promote longer building lifecycles. Completed in 1962, the Sumitomo Building celebrated its 50th anniversary last year. It received an award in the Long-life category based on high marks for proper building maintenance and management carried out over many years. In 2011, the Sumitomo Corporation Takebashi Building earned accolades for a greenery development project, winning the BELCA Award in the Best Renovation category. The most recent BELCA award is the Group's second such award.



The Sumitomo Building

## Initiatives to Enhance Employee Awareness

The Sumitomo Corporation Group actively conducts awareness-raising seminars related to environmental preservation for the purpose of enhancing the environmental awareness of employees.

### Seminars on Environmental Laws and Regulations

From April to May 2013, Sumitomo Corporation jointly held five seminars (Tokyo: four seminars; Osaka: one seminar) on environmental laws and regulations with another company, which were attended by around 300 people in total.

Companies must identify and comply with the specific legal requirements of the laws and regulations that apply to each of them. Trends in laws and regulations must be closely monitored at all times, because the regulatory content is constantly revised according to the times. These seminars were held in order to promote an understanding of the latest major environmental laws

along with key environmental issues and trends, while reaffirming the importance of ensuring compliance at companies.



A seminar on environmental laws and regulations

### Industrial Waste Treatment Procedure Seminar and On-site Treatment Facility Inspection Seminar

In November 2012, Sumitomo Corporation held a seminar aimed at providing the necessary knowledge and skills required to fulfill the Company's obligations to ensure proper waste disposal as a waste emitter. Led by an external guest lecturer, the seminar was intended for employees including those of Group companies. The classroom instruction held in the morning hours was attended by 260 people, including those taking part through televised broadcasts. The on-site inspection seminar held in the afternoon was attended by 65 people. The lecturer spoke clearly about such topics as basic knowledge of waste disposal operations, the relationships between various recycling laws and the Waste

Disposal and Public Cleaning Act, the main points of on-site inspections of industrial waste intermediate treatment sites and specific methodologies, and industrial waste disposal issues that arise in the course of daily operations.



The waste treatment facility where on-site inspection training took place

### Environmental Seminar on the Topic of "Plants: The Unshakeable Leading Player"

An environmental seminar for employees of Sumitomo Corporation and Group companies was held in June 2012, with guest lecturer Toyoki Kozai, Professor Emeritus of Chiba University, speaking on the topic of "Plants: the Unshakeable Leading Player." The lecture provided an easily understood overview of the idea of recycling plants as a renewable resource, and trends in the development of artificial light horticulture as a new flora production system. The seminar took the viewpoint that global issues concerning the environment, as well as food and resources, had to be resolved simultaneously and in parallel by adopting common perspectives and methodologies. This seminar was attended by approximately 100 group employees at Sumitomo Corporation's Head Office in Tokyo, and televised to approximately 30 Group officers and employees participating from seven other locations in Japan, who were mainly in charge of environmental issues.

Seminar participants said that the seminar offered them a rare glimpse into the technology and the economic and environmental advantages of flora production systems as a one-stop solution to the mutually related issues of conserving the environment, resources and food.



An environmental seminar



## Environmental Performance Data

To increase the reliability of its environmental performance data, Sumitomo Corporation engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance. The procedures and results of this assurance engagement are included in this report.

➤➤ Please refer to page 100 “Independent Assurance Report” for further details about assurance engagement.

\* Data for electricity consumption, CO<sub>2</sub> emissions (offices), waste emissions, and water consumption at head office, regional business units, offices and branch offices in fiscal 2010 and 2011 includes data from some Group companies.

\* Previous years' data for electricity consumption, CO<sub>2</sub> emissions (offices), waste emissions, water consumption, and office paper consumption have been revised to reflect a revision of the scope for data collection in line with actual management status.

\* Numbers of offices and companies are as of March 31, 2013.

### Electricity Consumption

Consumption (1,000 kWh)		Number of offices/ companies	Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	9	10,744	8,638	8,093
	Group companies	70	494,243	457,917	459,526
Overseas	Branches	12	151	163	165
	Group companies	77	109,602	153,764	160,748

\* Sumitomo Corporation has set a target of reducing electricity consumption by 1% annually for its head office, regional business units, offices and branch offices.

### CO<sub>2</sub> Emissions (Offices)

Emissions (t-CO <sub>2</sub> )		Number of offices/ companies	Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	9	4,554	4,692	4,646
	CO <sub>2</sub> emission per floor space (t-CO <sub>2</sub> /thousand m <sup>2</sup> )		56.75	58.50	60.44
	(Change from previous year)		(-12.6%)	(3.1%)	(3.3%)
	Group companies	70	162,807	201,454	208,132
Overseas	Branches	12	48	70	71
	Group companies	77	34,642	65,965	70,890

\* For the breakdown of CO<sub>2</sub> emissions for the head office, regional business units, offices and branch offices, Scope 1 is 225 tons and Scope 2 is 4,421 tons.

\* The above figures indicate total amounts of CO<sub>2</sub> emissions stemming from use of electricity, utility gas and district heat (cooling/heating water), which are calculated using the following factors:

CO <sub>2</sub> emission factors	Fiscal 2010	Fiscal 2011	Fiscal 2012
Electricity (kg-CO <sub>2</sub> /kWh)	0.316	0.429	0.441
Utility gas adjusted based on standard heat value (t-CO <sub>2</sub> /thousand m <sup>3</sup> )	2.234	2.234	2.234
Heat (head office) (t-CO <sub>2</sub> /GJ)	0.033	0.034	0.041
Heat (other than head office) (t-CO <sub>2</sub> /GJ)	0.057	0.057	0.057

### CO<sub>2</sub> Emissions (Logistics, commuting and overseas business trips)

Emissions (t-CO <sub>2</sub> )			Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	Logistics	13,400	10,519	9,379
	Head office	Commuting	753	740	821
	Head office	Overseas business trips	8,692	10,060	12,044

\* CO<sub>2</sub> emissions from logistics are for cargoes in Japan where Sumitomo Corporation is the cargo owner according to the Act Concerning Rational Use of Energy.

\* The emissions coefficients for CO<sub>2</sub> emissions from commuting and overseas business trips were taken from the CO<sub>2</sub> emissions per person-kilometer for each mode of transport when transporting travelers, as recorded in the Ministry of Land, Infrastructure, Transport and Tourism publication “CO<sub>2</sub> Emissions in the Transport Sector.”

\* Calculations for the CO<sub>2</sub> emissions due to overseas business trips include only flights departing and arriving in Japan. Business trip destinations are classified into six areas and a representative airport for each area is used to estimate the flight distance.

\* Following a revision of the method for data collection, previous years' figures for CO<sub>2</sub> emissions due to overseas business trips have been revised.

### Waste Emissions (General and industrial waste stemming from operation)

Emissions (tons)		Number of offices/ companies	Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	8	1,090	1,917	1,302
	Of the above, general waste emissions stemming from operation (tons)	8	586	559	542
	Group companies	67	59,656	59,193	56,742
Overseas	Group companies	37	10,810	14,541	14,527

\* Fiscal 2013 targets of Sumitomo Corporation head office, regional business units, offices and branch offices are set at 537 tons for general waste emissions from operations. Assuming a 92% recycling rate, 43 tons of waste would be sent to landfill.

### Water Consumption

Consumption (m <sup>3</sup> )		Number of offices/ companies	Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	3	51,387	49,145	45,579
	Group companies	31	2,228,701	2,231,708	2,386,123
Overseas	Branches	9	5,976	5,405	5,507
	Group companies	56	468,285	552,405	548,174

\* Head office data is for the main building.

### Office Paper Consumption

Sheets purchased (1,000 sheets)		Number of offices/ companies	Fiscal 2010	Fiscal 2011	Fiscal 2012
Japan	Head office, regional business units, offices and branch offices	9	41,425	34,579	34,350
	Group companies	54	155,016	144,955	142,494

\* Calculated from purchase amounts and unit prices of A4 paper.

\* This item is not subject to assurance engagement.

## Environmental Accounting

### Environmental Accounting for Fiscal 2012

(Thousands of yen)

Environmental conservation costs		Costs	Main benefits
(1) Business area cost	Pollution prevention cost	3,335	Environmental conservation
	Global environment conservation cost	531,615	
	Resource circulation cost	67,030	
	Subtotal	601,979	
(2) Upstream and downstream cost	Extra costs of green purchasing	203	Energy saving, resource saving, and waste reduction
	Additional cost for reducing the environmental impact of containers and packaging	217,021	
	Costs for the collection, recycling, resale, and proper disposal of used products	0	
	Subtotal	217,224	
(3) Administration cost	Cost for the implementation and maintenance of an environmental management system	399,020	ISO 14001 Environmental communication Environmental training
	Cost for disclosure of environmental information and environmental advertising	33,096	
	Cost for environmental training of employees	20,886	
	Cost for environmental improvement measures	2,320	
	Subtotal	455,323	
(4) R&D cost	R&D costs to develop products that contribute to environmental conservation	622,987	Environmental business
	R&D costs to develop methods and technologies that can reduce environmental impact caused during the manufacturing process	4,550	
	Subtotal	627,537	
(5) Social activity cost	Cost for environmental improvement activities in areas other than Group premises and their surroundings	6,704	Cooperation with NGOs and NPOs
	Cost related to donation or financial support of environmental groups	22,936	
	Cost related to donation or financial support of local organizations	2,700	
	Subtotal	32,340	
(6) Environmental remediation cost	Cost to restore the natural environment back to its original state	470	Restoring the natural environment back to its original state
	Subtotal	470	
Total		1,934,873	

Data scope: The nine offices of Sumitomo Corporation and 28 Group companies

(Thousands of yen)

Total Amount 1,934,873	
Sumitomo Corporation's nine offices in Japan 1,222,158	28 Group companies 712,715

Data compilation: April 2012 to March 2013

### Environmental Conservation and Economic Benefits

The environmental conservation and economic benefits of the consumption of electricity, paper and water in fiscal 2012 were as follows.

	Environmental conservation benefits	Economic benefits
Electricity consumption*	545 MWh	10,355 thousand yen
Paper consumption*	229 thousand sheets	181 thousand yen
Water consumption**	3,566 m <sup>3</sup>	1,643 thousand yen

Environmental conservation and economic benefits are represented by a reduction from the previous year.

Data scope: Items marked with \* are for the nine offices of Sumitomo Corporation in Japan; the item marked with \*\* is for the three offices in Tokyo, Osaka and Nagoya.

### Environmental Liabilities Identified

At the Sumitomo Corporation Group, environmental risks associated with land, buildings and other tangible fixed assets of Sumitomo Corporation and Group companies are identified and monitored using the ISO 14001 multi-site management methods, focusing on asbestos, PCB and soil contamination. The Company endeavors to apply the data obtained as information useful for management in making decisions. Also, the obtained and relevant information is included in related in-house seminars and training programs, in order to facilitate the sharing of relevant information within the Group.

Please refer to the following website for further details about our initiatives.  
<http://www.sumitomocorp.co.jp/english/csr/environment/>

## Social Initiatives

### Together With Employees

**Sumitomo Corporation is working strategically to recruit, develop and utilize people—our most valuable business resource.**

The Sumitomo Corporation Group is actively pursuing human resource policies for strategic and well-planned recruitment, development, and utilization of human resources who can understand and practice the Group's Management Principles and Activity Guidelines in order to contribute broadly to society and continue creating new value over the medium and long term.

### Human Resource Management Policy

#### ■ Aiming to “Be the Best, Be the One”

Effective recruitment, development and utilization of globally competitive human resources are the most important issues for the Sumitomo Corporation Group to survive the current ever-changing business environment and achieve sustainable growth. Our concern is how we can ensure that each of our employees—our most important assets—will exercise their full potential in line with the business strategy of their respective business units and based on the Group's Management Principles and Activity Guidelines.

For this reason, we are making continuous efforts towards training and fostering new employees on a company-wide basis, dissemination of Sumitomo's Business Philosophy—the basis of

the Management Principles—and developing human resources. We use a combination of on-the-job training and off-the-job training to promote effective development of human resources, with the former based on job rotations and the latter reflecting the characteristics of each business.

Under the medium-term management plan “Be the Best, Be the One 2014,” we are reinforcing human resource development with an emphasis on wide-ranging frontline experience, while promoting human resource development and utilization on a global basis. These efforts are guided by our basic policy of “What We Aim to Be in Fiscal 2019, Our Centennial Year.”

### Vision of the Human Resources We Seek

Human resource development will play an essential role in realizing our vision for the Company in its centennial year in 2019.

In developing a vision of the human resources we seek to build our foundation for the next 100 years, we are promoting the following three factors, starting with the necessary qualities, action, and abilities:

- 1. People with spirit and a lofty sense of ethics**
- 2. People who accept diverse values but think for themselves and act on their own initiative**
- 3. People who can create new businesses themselves without being constrained by existing frameworks**

This vision of human resources has been determined on the basis of the value standards defined by the Management Principles and Activity Guidelines of the Sumitomo Corporation Group as well as in light of the nine core behaviors of the SC VALUES, which all employees are expected to share and practice.

Sumitomo Corporation is seeking human resources who have clear vision and strong commitment, as well as demonstrate leadership at their respective levels of the organization, through the practice of the SC VALUES. We also seek professionals who can take responsibility for what they do, display a broad spectrum of knowledge and high-level expertise in a particular area and achieve superior performance.

#### SC VALUES

##### 1. Integrity and Sound Management

To comply with laws and regulations, while maintaining the highest ethical standards.

##### 2. Integrated Corporate Strength

To create no boundaries within the organization; always to act with a company-wide perspective.

##### 3. Vision

To create a clear vision of the future, and to communicate to share it within the organization.

##### 4. Change and Innovation

To accept and integrate diversity in values and behavior, and to embrace change as an opportunity for action.

##### 5. Commitment

To initiate, own, and achieve organizational objectives.

##### 6. Enthusiasm

To act with enthusiasm and confidence, and to motivate others through such action.

##### 7. Speed

To make quick decisions and act promptly.

##### 8. Human Development

To fully support the development of others' potential.

##### 9. Professionalism

To achieve and maintain high levels of expertise and skills.

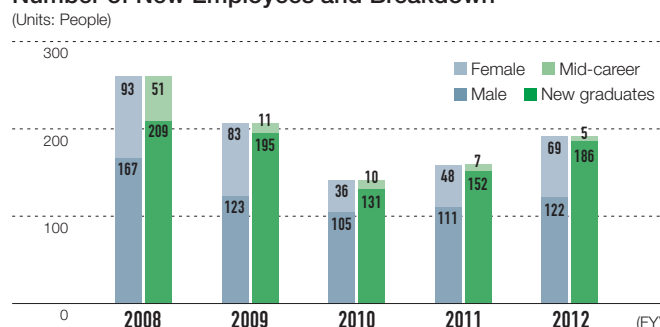
## ■ Recruitment: Recruitment Policy With Respect for Basic Human Rights

### Recruiting Diverse Human Resources Who Are Able and Eager to Work in the Global Business Arena

As a global business operator, we look for talented people who are able and eager to work in the global business arena. To this end, we conduct fair recruitment activities with respect for basic human rights and with no discrimination. Specifically, we apply the same screening process to all employee candidates, irrespective of their gender, academic background, or nationality, and our selection criteria consist only of applicants' aptitudes and abilities.

In addition to new graduates, we recruit mid-career employees on an ongoing basis, since attracting talented people who can deliver results from day one forms part of our human resource strategy. We also welcome many employees with disabilities: as of April 1, 2013, employees with disabilities represented 2.03% of our workforce, a higher percentage than the statutorily required level of 2.00%.

### Number of New Employees and Breakdown



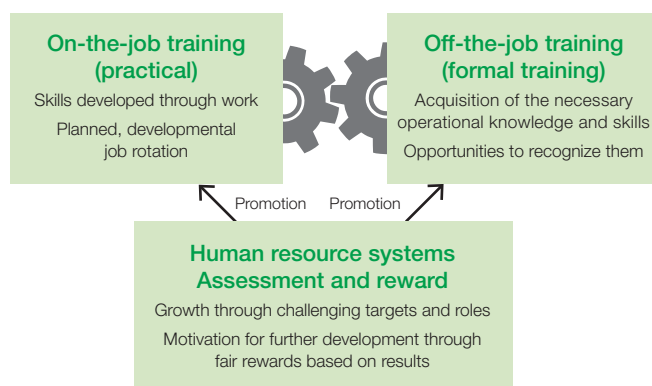
\* Total number of new graduates and mid-career workers employees for key career track positions and clerical positions

## ■ Human Resource Development: Strengthening Human Resource Development With an Emphasis on Diverse Frontline Experience

### Strategic and Well-planned Human Resource Development

At Sumitomo Corporation, human resources are developed using a combination of on- and off- the job-training to achieve the characteristics of the "Human Resources We Seek." These two approaches are promoted by human resource systems. The first 10 years are positioned as a period for fostering resources into Sumitomo Corporation professionals, with employees acquiring basic skills and general knowledge of trading company business through well-planned job rotations.

### Concept Diagram of Development of "The Human Resources We Seek"



### Introduction of Company-wide Guidelines on Job Rotations

At Sumitomo Corporation, company-wide guidelines on job rotations have been introduced, calling for employees to participate in three different job assignments in their first 10 years of employment, including one overseas assignment.

This allows employees to experience working in a diverse range of environments, including cross cultural environments, at

an early stage through job rotations; and to meet, work with, and receive input and opinions from many people in diverse locations in Japan and overseas. Through these experiences, employees are expected to become "people who accept diverse values but think for themselves and act on their own initiative" as well as "people who can create new businesses themselves without being constrained by existing frameworks."

### Extension of the Human Resource Development Fund and Introduction of a Global Internship Program

At Sumitomo Corporation, the Human Resource Development Fund, established in fiscal 2010, helps promote strategic and well-planned human resource development at each business unit and division by financially supporting a system for the overseas training of trainees (including those who engage in language or overseas studies) and employees participating in the overseas executive training program.

We have also introduced a Global Internship Program in fiscal 2013. The main purpose of the program is to have employees develop a global mindset through business experience abroad, particularly in emerging markets that have not received many trainees until now, and acquire grounding in the local languages of emerging countries.



A program making use of the Human Resource Development Fund

### 300 Programs Offered Annually to Support Off-the-job Training for Strategic and Well-planned HR Development

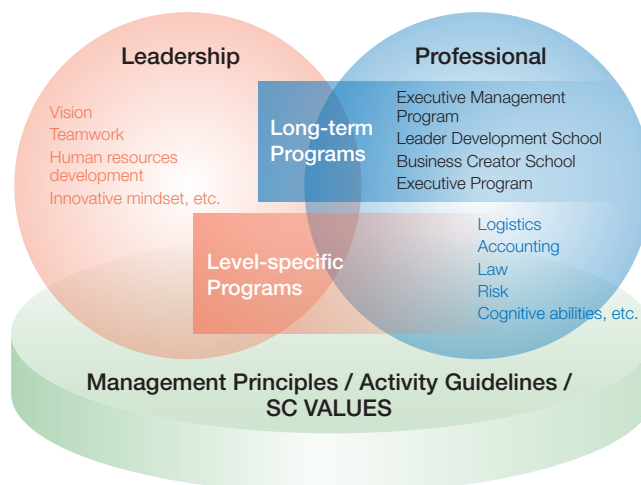
Sumisho Business College (SBC) offers about 300 programs per year that are designed to nurture the human resources we seek to achieve our vision, with a focus on three areas: 1) Management Principles, Activity Guidelines and SC VALUES, 2) Leadership, and 3) Professional. In fiscal 2012, 10,619 trainees attended the programs (from Sumitomo Corporation alone).

Through a variety of training programs provided by SBC, we offer systematic leadership development, as well as instruction in common basic business knowledge and skills required to work in the trading industry. Various other programs include advanced specific knowledge and skills necessary for investment, business management, and business creation/innovation.

One of the programs, which has been conducted since fiscal 2006, is the visit to the Besshi Copper Mine, the starting point of the Sumitomo Corporation Group. The main objective of this training is to give leaders of organizations of the Group an opportunity to experience and assimilate Sumitomo's Business Philosophy, the basis of the Group's Management Principles, and to ensure that the business philosophy is passed on to younger employees.

We promote an active stance on growth opportunities as "something to be taken by oneself" rather than "something to be given." Based on this concept, we continue our best efforts to improve SBC as a system that supports our prime talent who are able to think and act on their own to deliver results, and eventually contribute broadly to society through business.

### Overview of Sumisho Business College (SBC)



## Human Resource Development: Promoting Human Resource Development Measures Globally

### Stratified Program for Locally Hired Employees Overseas

The Sumitomo Corporation Group is also working hard to deploy and develop locally hired employees in its overseas offices and Group companies in order to recruit and develop personnel who can play a leading role in global business operations.

As part of these efforts, we conduct training programs for locally hired employees at different career levels (staff in charge, managers and senior executives). At the training programs, nearly 300 participants each year from all over the world come to the Head Office in Tokyo to share the corporate DNA that the Sumitomo Corporation Group is made up of and strengthen their sense of unity as a member of the Group through reaffirming their understanding of Sumitomo's Business Philosophy and Management Principles of the Group. In addition, they share information on the Group's management policies and strategies, and improve their skills by attending various lectures. The training programs also offer joint workshops in which Head Office employees also participate.



Training for locally hired employees overseas

### Enhancing Global Human Resource Strategies

From fiscal 2013, we reorganized our overseas offices into four broad regions. Under this new system, we are promoting development and utilization of local human resources by organizations in each region. Specific measures include rotation of locally recruited staff within each region, and assigning staff from overseas offices and Group companies to important positions. In tandem, we are promoting global human resource development and utilization by providing support from Tokyo Head Office to regional organizations with recruitment, establishing training systems, and other aspects.

### Overseas Employees by Region (as of March 31, 2013)

(Units: People)

	Locally hired employees	Hired by Head Office	Total
China	478	71	549
Asia	933	162	1,095
Middle East	232	41	273
Europe	347	107	454
Africa	67	12	79
North America	286	125	411
South and Central America	215	31	246
Oceania	61	20	81
Total	2,619	569	3,188

\* Employees temporarily assigned to Group companies are not included in the above figures.



## Strengthening Globally Oriented Human Resource

### Development: the Sumitomo Corporation Global HRD Center

We opened the Sumitomo Corporation Global HRD Center in Ginza, Chuo-ku, Tokyo, in April 2012 to serve as a training center to develop global talent and as a strategic multi-purpose facility. The training center is fully utilized to promote our global human resource development and diverse human resource activities, as well as to provide a multi-purpose, versatile space used to assist

Head Office functions. In this facility, global colleagues from around the world, irrespective of organization or country, meet for intensive discussions on the future visions and strategies of the Sumitomo Corporation Group. In fiscal 2012, the facility was used by a total of 9,364 people from throughout the Group.



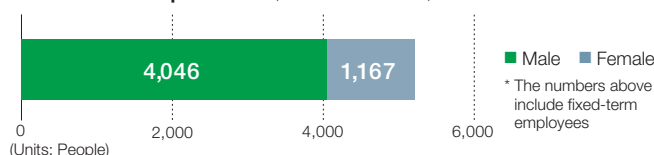
Sumitomo Corporation  
Global HRD Center

## ■ Utilization of Human Resources: Promoting Diverse Human Resource Activity

### Cultivating a Workplace Culture With Respect for Diversity

As the needs of workers have become increasingly diversified across society, Sumitomo Corporation has been quick to respond, addressing the issue of long overtime hours by promoting work-life balance, and striving to respond to various social needs, such as encouraging more active involvement of female employees in business, extending the employment period, and deploying non-Japanese national employees. We are implementing a variety of initiatives to cultivate a culture at the workplace that respects the diversity of human resources so that this diverse talent can capitalize on their different backgrounds to create new value and achievements in their respective fields, thus contributing to the sustainable growth of the Group.

### Ratios of Male and Female Employees in Sumitomo Corporation (As of March 31, 2013)



### Average Employee Turnover Rate in Fiscal 2012

3.29%

Number of employees who left the company in fiscal 2012: 176  
Total number of employees as of April 1, 2012: 5,347

### Promoting Work-Life Balance Programs and Measures

In April 2005, Sumitomo Corporation established the SCG Counseling Center, to promote mental health care for Group employees. At the same time, we organized a Company-wide Work-Life Balance (WLB) Promotion Project Team. Later, the Triton Sukesuku Square in-house daycare center was established to provide child-care services for Sumitomo Corporation Group employees. These are just some of the measures that we have introduced, along with various related systems such as spouse maternity leave. The best way to achieve a good work-life balance differs for each person, depending on their values and lifestyle. Sumitomo Corporation believes that workers who are fulfilled in both their

professional and private lives find more energy and motivation, leading them to create new value. Moreover, in order to promote vibrant, positive working environments, we communicate actively with the employees' union, to which the majority of employees belong (53.2% as of March 31, 2013), to enable us to reflect employees' opinions as we formulate and implement measures.

### Usage of Various Systems (Fiscal 2012)

System	Number of users
Spouse's maternity leave	76
Leave to look after a sick child	107
Child-care leave*	25

\* 100% of female employees who gave birth during the fiscal year used this system

### Providing Opportunities for Young Employees to Develop Their Careers as Well as for Senior Employees to Make the Most of Their Experience

Sumitomo Corporation has a Career Advisor Program in place to provide opportunities for young employees to develop their careers and for senior employees to make the most of their experience. In this program, senior employees with abundant experience in their respective careers are chosen and designated as career advisors (CAs) for each division to support employee career development.

These CAs have three major roles to play: they provide support and advice to individuals (staff) and management in their organization (their managers), and act as a communication bridge between individuals and the organization. The CAs thus support the career development of each employee and creation of a good work environment in which employees can exercise their capabilities and personalities to the maximum extent.

### Career Advisor System Overview



Please refer to the following website for further details about our initiatives.  
<http://www.sumitomocorp.co.jp/english/company/talent/>

## Social Contribution Activities

The Sumitomo Corporation Group, as a global organization, conducts various social contribution activities in many countries and regions around the world while working to further strengthen its relationships with local stakeholders in consideration of the unique social conditions of each community.



1



2



3



4



5



6



7



8

### IN EUROPE · CIS · MIDDLE EAST AND AFRICA

- Support for the activities of Shakespeare's Globe Theatre in contributing to the development of dramatic art and culture in local communities (UK)
- Donation to Centrepont, a group supporting young homeless people (UK)
- Donation of operating funds and uniforms to local soccer teams (France)
- Co-sponsor of Japan Foundation's *Nihon no Aki* (Japanese Autumn) program for introducing Japanese culture (Russia)
- Co-sponsor of Japanese speech contests (Russia, Ukraine, Kazakhstan)
- Support for AURORA CENTER, a local NGO developing operations supporting school attendance by children with disabilities (Romania) **1**
- Company visits by local university students (Czech Republic) **2**
- Support for the construction of an education and training facility at Qatar University (Qatar)
- Support for demining activities (Angola)
- Support for the operation of organizations providing IT education to unemployed individuals with disabilities (South Africa) **3**
- Support for the introduction of mobile libraries (South Africa) **4**
- Support for infrastructure and health care improvements of local communities as part of the Ambatovy Nickel project (Madagascar)

### IN JAPAN

- Implementation of the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan in support of young people working to help affected areas recover from the Great East Japan Earthquake **5** (see pages 96–97)
- Support for the Junior Philharmonic Orchestra **6**
- Promotion of "barrier-free" movies **7** (see page 98)
- Hosting a company training and providing a homestay for university students from China
- Acceptance of corporate internship by the Japan Ground Self-Defense Force's College Staff
- Cooperation with projects providing support for the employment of individuals with disabilities
- Participation in the Pink-ribbon Movement for the eradication of breast cancer
- Organizing events for local residents hosted by commercial complexes of the Sumitomo Corporation Group **8**
- Support for TABLE FOR TWO activities
- Cooperation with Japanese Red Cross Society blood donation campaigns
- Support for environmental NPOs and NGOs through donations to the Keidanren Nature Conservation Fund and World Wide Fund for Nature (WWF)



## The Sumitomo Corporation Group's Basic Principles on Social Contribution Activities

### OBJECTIVE

We, as a global organization, will work on social issues through our business activities and social contribution activities with the aim of building a sustainable society by implementing the Sumitomo Corporation Group's Management Principles and Activity Guidelines.

### ACTIVITIES

We will engage in social contribution activities aimed at developing the next generation of human resources who will drive the sustainable development of society, and contributing to local communities in areas we do business all over the world. We will also take part in various activities as a good corporate citizen.

### APPROACH

We will perform and seek to continuously improve our activities with modesty and high aspirations and endeavor to maintain a high level of transparency while strengthening our relationships with all our stakeholders.



## IN ASIA · OCEANIA

- Sumitomo Corporation Scholarship to help university students in Asia (various Asian countries) (see pages 94–95)
- Internship programs, work experience programs, and office tours for students (various Asian countries)
- Courses bearing the Sumitomo Corporation name at Tsinghua University (Beijing) and Nankai University (Tianjin) in China, and National Economics University and Foreign Trade University in Hanoi, Vietnam (see page 98)
- Educational assistance for students in poverty-stricken areas in Anhui, Guangdong and Yunnan provinces (China) **9**
- Donation of uniforms and school supplies to elementary school children (Myanmar) **10**
- Support for educational and health care improvements in local communities as part of the Tanjung Jati B coal fired power plant project and the Batu Hijau Mine (copper, gold) business (Indonesia)
- Japanese language education and culture learning for junior high school students (Vietnam) (see page 98)
- Support for educational and infrastructure improvements in local communities as part of overseas industrial park development projects (Vietnam, the Philippines, Indonesia) **11**
- Donation of pharmaceuticals and medical equipment to local medical institutions (the Philippines) **12**
- Donation of wheelchairs, learning materials and playground equipment to orphanages for children with disabilities (Thailand) **13**
- Provision of food for underprivileged children in orphanages (India)

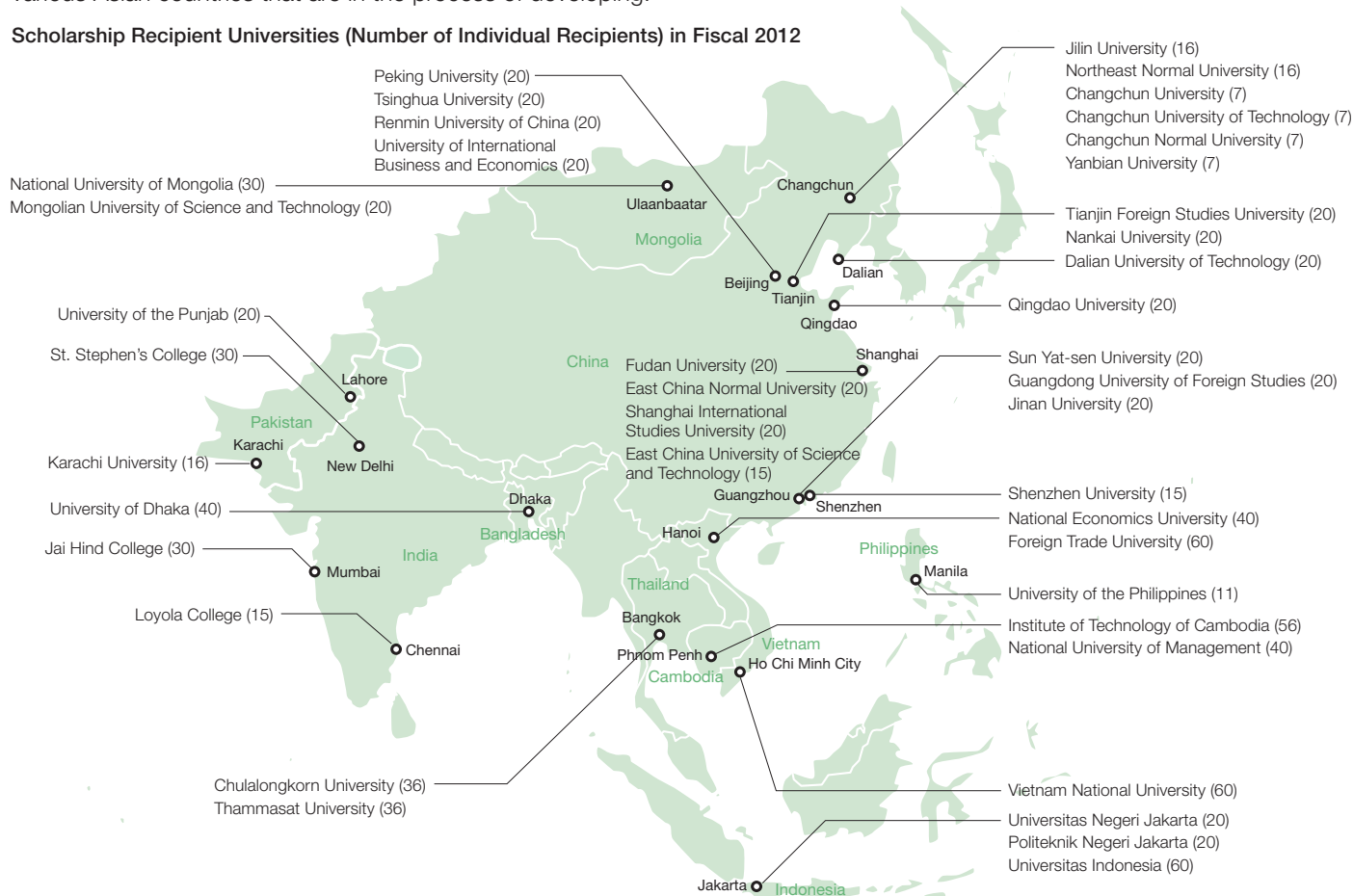
## IN AMERICAS

- Support for the Center on Japanese Economy and Business, Columbia Business School (US)
- Support for organizing Japan Day, an event to showcase Japanese culture (US) **14**
- Support for art museums such as the Metropolitan Museum of Art and the Museum of Modern Art (MoMA) (US)
- Support for efforts to develop a cure for leukemia, Alzheimer's, and other diseases (US)
- Donation of funds to support areas affected by catastrophic hurricane Sandy (US)
- Support for The First Tee of Columbia Basin, a youth development program for children and teens ages 5 to 18, providing educational programs and life-enhancing values through the game of golf (US)
- Support for the Great Mid-Columbia Duck Race held in Pasco, Washington (Model ducks are floated down a river towards a goal) (US)
- Donation to the University of Alaska Fairbanks's Mining Engineering Research Endowment Fund in connection with the Pogo Gold Mine project (US)
- Collection within a Group company for donating funds to the Children's Miracle Network, an organization supporting children's hospitals in various regions (Canada) **15**
- Support for redeveloping greenery surrounding local general hospitals (Mexico) **16**
- Support for educational and infrastructure improvements in local communities as part of the San Cristobal Mine (silver, zinc, lead) business (Bolivia)
- Donation of Christmas cakes, school supplies and playground equipment to villages and elementary schools in close vicinity to company-owned forests, and co-sponsorship of local youth soccer teams (Chile)
- Support for local cultural activities and sports events (Brazil) **17**

## Developing the Next Generation of Human Resources: Sumitomo Corporation Scholarship

Sumitomo Corporation by offering scholarships provides support in nurturing the next generation of human resources in various Asian countries that are in the process of developing.

### Scholarship Recipient Universities (Number of Individual Recipients) in Fiscal 2012



### Voices of Scholarship Students



**Thitiporn Tongthipcharoen**  
Chulalongkorn University  
(Thailand)

#### "I want to help people in need in Thailand."

I believe that great people make a country great and that the key to making great people is education. Thanks to the Sumitomo Corporation Scholarship, I had the opportunity to further my education and expand my view of society. However, when I participated in the volunteer camps of Chulalongkorn University in several remote areas of Thailand, I realized that many children were not receiving a proper education for economic reasons.

I want to do my best devoting myself to helping other people in need, in the hope that they too will also have a chance to fulfill their dreams, in the same way that Sumitomo Corporation helped to grant my wish.



**Zhong Yongjie**  
Northeast Normal University  
(China)

#### "I want to devote myself to friendship between China and Japan."

I believe I made a great life choice by enrolling in Japanese language studies. I gained my first exposure to a different culture by learning Japanese. This enabled me to obtain a clearer view of commonalities and differences between Japanese and Chinese culture, as well as my own existence.

The scholarship that I received serves as a recognition of my efforts so far, and has been a great encouragement to me. I will work even harder in the days to come to be indispensable to society and to do what I can to foster good relations between China and Japan, so as to live up to expectations.

In 1996, we established the Sumitomo Corporation Scholarship as part of our 50th anniversary in the trading business. The program was born from our desire to offer support in nurturing the next generation of future leaders for advancement of countries in Asia. We have expanded the program in stages to cover more regions and universities in keeping with the needs of various countries, regions, and universities. In fiscal 2013, scholarships were granted to about 1,000 students at 41 universities in 10 countries. Since 1996, we have awarded scholarships to

approximately 13,000 students. These individuals who completed their studies with the assistance of our scholarships are now actively engaged in a variety of fields in each country. The Sumitomo Corporation Scholarship program is operated in close cooperation with our business bases (overseas subsidiaries and offices) in the covered countries, capitalizing on our extensive global operating network. We will continue these activities, striving to make program advances attuned to national and regional characteristics.

## ■ Activity Report

### Scholarship Awards Ceremonies Encourage Students Around the World

In Mongolia, we awarded scholarships to a total of 50 students from the National University of Mongolia and the Mongolian University of Science and Technology in April 2013. At an award ceremony, a university president expressed his gratitude, saying that Japan offers an array of assistance to Mongolia and that this type of human resource development support is also extremely helpful. A student representative also delivered a powerful message in her speech, expressing appreciation for the assistance provided to students along with the support tied to national development.

While scholarship award ceremonies take many forms with sponsorship by universities and Sumitomo Corporation, they are held every year in various regions providing opportunities for exchange with students. By introducing our global business operations, we are working to encourage a worldwide perspective and deepen understanding of Japan. Seeing how eager the students are to have the opportunity to advance their studies also boosts the motivation of locally hired employees around the world.



A scholarship award ceremony at the National University of Mongolia

### Work Experience Programs Provide Exchange With Students

In China, scholarship operations led to the implementation of a short-term work experience program inspired by a CSR person in charge at Sumitomo Corporation (China) Holding Ltd. In fiscal 2012, 32 university juniors and seniors participated in the work experience program at Sumitomo Corporation (Guangzhou) Ltd. Employees served as instructors, offering lectures on the company's IT, logistics, tax, and human resource operations. The program also involved risk management drills and case studies of actual trading activities leveraging these skills, as well as on-site visits to Group companies. Students who attended the extensive three-day program gave it rave reviews. Students from differing fields of study inspired each other, expanding their horizons. There were also students who said their experience will be of help in contemplating their future course. We are also considering expanding the program to include sophomores in the future.



A work experience program at Sumitomo Corporation (Guangzhou) Ltd.

## Voices of Locally Hired Employees



**Zhao Jun**  
General Affairs, Corporate  
Communications & CSR Dept.  
Sumitomo Corporation China Group

### "The scholarships are making a difference."

When a Group officer met with a government official, this individual apparently expressed his great fondness and appreciation for Sumitomo Corporation, having received a Sumitomo Corporation Scholarship when he was in school. Knowing that this scholarship recipient is playing an active role in society really impressed upon us that our scholarships are making a difference.



**Tran Thi Tuyet Trinh**  
Administration Department  
Sumitomo Corporation  
Vietnam LLC

### "I will do my best to make the Sumitomo Corporation Scholarship more meaningful."

The Sumitomo Corporation Scholarship can help students reduce the financial burden on their families and also make them proud and motivated because their efforts are recognized by society. I was very pleased to hear that the scholarship students are interested in the culture and mindset of the Japanese, and desire to contribute to friendship between Vietnam and Japan. I will therefore do my best to make the Sumitomo Corporation Scholarship more meaningful to the students who will shape the future of Vietnam.

## Voice of a University Official



**Mr. Jiban K Mishra**  
Director of Planning and  
Development  
University of Dhaka  
(Bangladesh)

### "We are proud to be a part of the Sumitomo Corporation's social contribution program."

The University of Dhaka, Bangladesh, is grateful to Sumitomo Corporation for granting scholarships to 160 of our meritorious students since 1997. The Sumitomo Corporation Scholarship is considered most prestigious among our students, and the recipients all feel privileged and honored. The scholarship helps students to be more attentive to their studies and encourages them towards achieving higher credentials. As an old and leading university of Bangladesh, we are proud to be a part of the Sumitomo Corporation's social contribution program. We sincerely hope that the program will help the scholarship students further their understanding of Sumitomo Corporation and Japan, and lead to strengthening of the bond between our two countries. One day these brilliant students will become leaders of our country in their respective fields and contribute greatly to the development of Asia. We hope that our relationship with Sumitomo Corporation will continue forever.



## Developing the Next Generation of Human Resources: Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan

The Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan supports the revitalization of regions and the rebuilding of the daily lives of those affected by the Great East Japan Earthquake. The five-year program that began in fiscal 2012 is part of our policy of providing long-term assistance for recovery.

### ■ Program Overview

Over two years have passed since the Great East Japan Earthquake. While there are concerns that people's memories of the disaster will erode with time, a large number of people are still working to help get the affected regions back on their feet.

Since right after the earthquake struck, the fundamental policy of Sumitomo Corporation has been to provide long-term assistance for recovery. We began by providing donations and emergency aid supplies, and dispatching employees to offer assistance in affected regions through our volunteer program for earthquake disaster reconstruction. We have followed up with support matching the affected regions' changing needs over time. In fiscal 2012, we kicked off the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan. Through this five-year independent program of ours, we are backing up regional revitalization initiatives by the young generation\* so as to support recovery in the affected areas and develop the next generation of human resources.

\* The young generation in our program refers to youth in their late teens to twenties who are mainly university and graduate students.

The program has two parts. The activity and research subsidy supports youth-led activities and research targeting the revitalization of regions and the rebuilding of daily lives for those affected by the disaster. The internship program supports long-term internships for youth at NPOs and other organizations active in the affected regions.

Through the activity and research subsidy, we have supported the activities of 34 organizations in fiscal 2012 and are assisting 48 organizations in fiscal 2013. We not only simply offer financial aid, but also hold the Sumitomo Corporation Youth Challenge Forum in the middle of the fiscal year. At the forum, all of the organizations present interim reports on their activities. This provides the organizations with an opportunity to spread the word about their work, gain new insights through information sharing that they can utilize in future activities, and forge networks amongst themselves. The forum also includes a symposium bringing experts in relevant fields into the mix.

Turning to the internship program, seven students gained nine months of experience serving at six groups in Miyagi Prefecture in fiscal 2012. While the interns were active in different ways and places, they all successfully served out their terms, exchanging information through blogs participants set up and networking events, and learning through trial and error along the way. We received feedback from individuals completing the program such as "I learned the importance of putting ideas into action" and "Being personally affected by the earthquake, taking part in activities has enabled me to move forward." Seeing how much these young men and women have grown through the program really brought home to us its significance.

In fiscal 2013, we are supporting the internship activities of 19 students at 12 groups in Miyagi and Fukushima prefectures. The needs of affected regions will continue to change as time passes, but we will keep believing in the power of youth to take on challenges and provide long-term assistance for their growth and recovery of the affected areas.

### Activity and Research Subsidy

Category	Fiscal 2012		Fiscal 2013	
	Subsidized groups	Subsidy (Thousands of yen)	Subsidized groups	Subsidy (Thousands of yen)
Course A	22	10,570	23	10,730
Course B (new)	12	29,490	16	41,320
Course B (continued)	—	—	9	26,120
Total	34	40,060	48	78,170

\* Course A: Activity and research conducted discretionally by youth teams, circles and groups  
Course B: Activity and research organized primarily by NPOs and universities and initiated mainly by the youth

### Internship Program

Prefecture	Fiscal 2012		Fiscal 2013	
	Sponsor groups	Interns	Sponsor groups	Interns
Miyagi	6	7	8	13
Fukushima	—	—	4	6
Total	6	7	12	19
Subsidy	Approx. ¥5 million		¥10–15 million (planned)	

### Message From the Selection Committee Chairman



**Mr. Takeshi Jitsuyoshi**  
Director and Executive Secretary  
Kobe Empowerment Center  
Senior Managing Director  
Hyogo Community Foundation

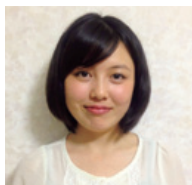
#### Why Support Youth

Simply put, the program is unlike others in that it stems from the fusion of two goals: to help out in disaster-stricken areas and to encourage youth development in the process. While the former is key, the program aims much higher by also focusing on fostering youth playing a role in recovery as an integral component of long-term human resource development. Through this, the program's ambition is to revitalize affected regions, and by extension Japanese society. There are lots of corporate programs offering aid to affected

areas of eastern Japan, but I feel that this program excels because it offers a rare focus on cultivating people. While funding comes from Sumitomo Corporation, naturally it is the Company's officers and employees who generate these funds coupled with the understanding and support of shareholders and business partners that make the program a reality. I would like to express my gratitude to these stakeholders. Look forward to more from this program through which many youth play an active role and grow.

## Activity and Research Subsidy

### Voices of Groups Subsidized in Fiscal 2012



**Miyu Maekawa**

A junior at the Nara Women's University Department of Language and Culture Institute for Human Diversity Japan

#### As I Imagine Kamaishi and Kansai 20 Years from Now

People from four universities in the Kansai region came together to form our group, which works to help enliven the temporary shopping district in Kamaishi, Iwate Prefecture. In fiscal 2012, we conducted a tour of support for Iwate in which female Kansai area university students participated and planned regional revitalization events in the shopping district, and joined up with people from the shopping district to hold a workshop showcasing Kamaishi's attractions. With these and our other activities, we constantly asked ourselves, "As university students from the Kansai region, what can we do to help?" Every time I visit Kamaishi, I am captivated by the strength of the people there, and how they forge ahead with a smile on their face despite grim conditions. I want to keep working to get the word out in Kansai about all the city of Kamaishi has to offer, working with the locals to light up the once defunct shopping district with smiles.



A workshop involving local shop owners and students from Kansai and Iwate Prefecture



An event for invigorating the temporary quarters of the Kamaishi Aoba-Koen Shopping District



**Tomoya Hirano**

A sophomore at the Tohoku University School of Engineering Mimamori-Tai A student-organized group providing local assistance

#### Keeping Watch Over Higashi Matsushima After the Disaster

In fiscal 2012, we helped farmers in the city of Higashi Matsushima clear debris from farmland and relocate vinyl greenhouses, and assisted with memorial services in the city's Omagari district. For the memorial services, we made lanterns together with local residents and decorated them with inscriptions of the character meaning "pray," lotus flowers, and the like. We heard that attendees were touched by the lanterns. Through our activities, we have come to feel that we must keep working to bring to light needs in the affected regions that have not yet been fully uncovered.



Removing stones scattered all over a field to revive it as farmland



Handmade lanterns light up the memorial service with calligraphy and patterns

## Internship Program

### Voices of Sponsor Group and a Student Intern in Fiscal 2012



**Ms. Yuka Takahashi**  
Sponsor Group  
Chairperson of the Board  
Switch

#### The Lessons We've Learned

We learned a lot by having Aya Abe as a student intern.

Watching her learn the value of firmly grasping what the other person's heart is saying, despite finding it challenging to really listen, was heartwarming.

The straightforward outlook that she brought as a student intern rather than a supporter taught us the importance of thinking simply. I remain encouraged by Ms. Abe's words: "I intend to treasure what I learned here."



**Aya Abe**  
Student Intern  
A senior at the Ishinomaki  
Senshu University School of  
Business Administration

#### The Importance of Relating to Others

At the NPO Switch, I assisted with transitioning people with mental disorders into the workforce. I got involved because I received support when I was affected by the Great East Japan Earthquake and I wanted strongly to give back by providing assistance this time. I began by learning about mental illness from square one and supporting the operation of the organization's mental health program. While I also gained knowledge from reading, I learned a tremendous amount by interacting with patients and staff in the program, and listening to what various people had to say. I will continue to cherish human relationships and want to contribute to society.

## Contributing to Local Communities All Over the World

### ■ Operating Courses Bearing the Sumitomo Corporation Name at Two Chinese Universities

To support development of the next generation of human resources, we have been active since 2006 in operating courses bearing the Sumitomo Corporation name at two of China's leading universities—Nankai University (Tianjin) and Tsinghua University (Beijing). In April 2013, Motoyuki Oka, Senior Advisor of Sumitomo Corporation, presented a lecture on the theme "What Makes a Good Organization" at Tsinghua University. About 150 university students and graduate students attended the lecture, which was followed by an in-depth discussion. Through these courses, we hope many students in

China will gain a better understanding of Japan's business world, and serve as a bridge for economic exchange with Japan in the future.



Senior Advisor Oka of Sumitomo Corporation lecturing at Tsinghua University

### ■ Operating Japanese Language Classes in Vietnam

Since 2006, Sumitomo Corporation has been operating Japanese language classes for junior high school students in Da Nang, a city located in the central region of Vietnam. The program is designed to provide opportunities for children in Vietnam to learn about and develop an interest in Japan and its culture while learning the language.

The lessons are taught to about one hundred junior high school students in eight classes by an employee of Sumitomo Corporation who has a national license to teach Japanese. Many program graduates have passed the Japanese-Language Proficiency Test with flying colors. But the program is not just about learning the language. It also introduces many aspects of

Japanese culture, including the different seasonal celebratory rituals, and traditional Japanese pastimes such as doing origami and cat's cradles. Among other varied activities promoting a greater understanding of Japan are field trips to factories on the outskirts of Da Nang run by Japanese companies.



A graduation ceremony for the Japanese language classes

## Activities as a Good Corporate Citizen

### ■ Cooperating in the Promotion of Barrier-Free Environments at Expo 2012 Yeosu Korea

Sumitomo Corporation and Sumitomo Corporation Korea Ltd. worked together to create an audio description as part of a barrier-free initiative to help make the Japan Pavilion at the International Exposition in 2012, held in South Korea's southern city of Yeosu, fully accessible to all in the spirit of hospitality. Sumitomo Corporation has been promoting barrier-free movies since 2004. Our cooperation in providing an audio description to the pavilion enabled visitors with impaired vision to also enjoy the exhibit.

In addition, about 250 people, including 25 Yeosu locals with disabilities who attended the Universal Design Symposium sponsored by Saga Prefecture during the Expo, watched a barrier-free version of the popular Japanese cartoon "Doraemon." Sumitomo Corporation Korea employees helped to run the event, serving as volunteers performing tasks including interpretation and guiding guests with disabilities. This was the first screening of "Doraemon"

accompanied by subtitles and audio descriptions in South Korea to enable the visual and hearing impaired to also enjoy the show. Saga Prefecture Governor Yasushi Furukawa emphasized the need to promote barrier-free films. "As we get more and more movies like this, life becomes easier," he noted. "We must therefore promote the expansion of the Sumitomo Corporation Group's efforts."

Through ongoing promotion of barrier-free movies, we aim to make society more livable for everyone.



The Universal Design Symposium



## Providing Long-term Assistance for Recovery From the Great East Japan Earthquake

When the Great East Japan Earthquake struck on March 11, 2011, the Sumitomo Corporation Group wasted no time in coming together to collect and deliver emergency aid supplies, as well as make donations. This was only the beginning. We also made a commitment to long-term assistance for both the reconstruction of industries and humanitarian relief, asking ourselves how we can keep putting our diverse business bases in various fields and regions as an integrated trading company to work in post-disaster recovery.

### ■ Assistance for Industrial Reconstruction

#### Supporting Recovery of the Fish Processing Industry in Kesennuma

The city of Kesennuma in Miyagi Prefecture sustained grave damage to its core fish processing industry from the tsunami and major fires. Getting the industry back on its feet is an urgent task, as efforts to rebuild factories have been delayed by damage to buildings and land subsidence along the coast where factories are concentrated, and this has been compounded by problems such as the loss of sales channels and employment.

Sumitomo Corporation and Sumitomo Corporation Tohoku Co., Ltd. teamed up with Mitsui & Co., Ltd. to contribute to rapid, creative reconstruction of the industry in cooperation with Miyagi Prefecture, Kesennuma City, and the local chambers of

commerce. This trading company coalition is helping to develop a recovery business model for the sector by assisting with the activities of the Kesennuma Shishiori Fisheries Processing Cooperative Association, which business operators united to form following the earthquake.



A general assembly commemorating the Kesennuma Shishiori Fisheries Processing Cooperative Association first anniversary

### ■ Humanitarian Assistance

Sumitomo Corporation offers various humanitarian assistance programs, such as the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan, using its extensive partnerships and know-how developed through its ongoing social contribution activities.



#### Junior Philharmonic Orchestra (JPO)

The Junior Philharmonic Orchestra, which Sumitomo Corporation supports, held a charity concert for Great East Japan Earthquake relief in Natori City, Miyagi Prefecture where it performed with the local Sendai Junior Orchestra. Sumitomo Corporation matched sales from the concert, with all proceeds going to the Ashinaga Tohoku Rainbow House Construction Fund. (November 2012)



#### Barrier-free Movie Screenings

We were spurred into action in 2011 by people noting that "There is a variety of support for disaster-struck regions, but little assistance for people with disabilities." In 2012, we held a barrier-free movie screening in Sendai City, Miyagi Prefecture with assistance from the Miyagi Welfare Division for Persons with Disabilities. Miyagi Prefecture Governor Yoshihiro Murai expressed thanks for the initiatives for ensuring that people with disabilities can also participate. (December 2012)



#### Event to Sell Local Products From Disaster-Stricken Areas

In the grand lobby of Harumi Triton Square where Sumitomo Corporation's Head Office is located, we held a sales event offering products from a facility in Miyagi Prefecture supporting independence for people with disabilities. We received feedback from customers such as, "This was a good event providing shoppers easy access to good merchandise and contributing to the Tohoku region's recovery at the same time." (February 2013)



#### Grief Care Program

We offered a grief care program in a temporary housing complex in Natori City, Miyagi Prefecture to help long-term evacuees heal emotionally. (August–November 2012, February 2013)

Sumitomo Corporation provides a running update of the Group's social contribution activities around the world in the form of activity reports published on our corporate website to provide a broader overview including activities not mentioned in this publication.

<http://www.sumitomocorp.co.jp/csr/contribution/report/> (Japanese only)



Social Contribution Activity Report

## Third-party Assurance (Environmental Performance Data)



### Independent Assurance Report

To the President and CEO of Sumitomo Corporation

#### Purpose and Scope

We were engaged by Sumitomo Corporation (the "Company") to provide assurance on its Annual Report 2013 (the "Report") for the fiscal year ended March 31, 2013. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether the environmental performance indicators listed in the table below for the period from April 1, 2012 to March 31, 2013 disclosed on page 86 in the Report (the "Indicators") are prepared, in all material respects, in accordance with the Company's reporting criteria.

Indicators	Boundary	Level of Assurance
Electricity Consumption	Head office, regional business units, offices and branch offices in Japan	Reasonable
CO <sub>2</sub> Emissions (Offices)	Head office, regional business units, offices and branch offices in Japan	Reasonable
CO <sub>2</sub> Emissions (Logistics)	Head office, regional business units, offices and branch offices in Japan	Limited
CO <sub>2</sub> Emissions (Commuting and overseas business trips)	Head office	Limited
Waste Emissions (General and industrial waste stemming from operation)	Head office, regional business units, offices and branch offices in Japan	Reasonable
Water Consumption	Head office and regional business units in Japan	Reasonable

The content of the Report is the responsibility of the Company's management. Our responsibility is to carry out an assurance engagement and to express our conclusion based on the work performed.

#### Criteria

The Company applies its own reporting criteria as described in the Report. These are derived, among others, from the Act on the Rational Use of Energy, the Act on Promotion of Global Warming Countermeasures, and the General Guidelines on Supply Chain GHG Emission Accounting (2012) by Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry. We used these criteria to evaluate the Indicators.

#### Procedures Performed

We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS").

##### Reasonable assurance engagement

Our reasonable assurance engagement involved an assessment of assurance risks based on the internal control relevant to the Company's preparation of the Indicators, an evaluation of the application of the Company's criteria and the evidence obtained, an examination of how data are generated and how the Indicators are presented in the Report.

##### Limited assurance engagement

The limited assurance engagement on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our limited assurance procedures included:

- Interviews with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company's reporting criteria.
- Inquiries about the design of the systems and methods used to collect and process the Indicators.
- Analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also a recalculation of the Indicators.
- Evaluating the overall statement in which the Indicators are expressed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

##### Reasonable assurance engagement

In our opinion, the Indicators in the Report are, in all material respects, prepared in accordance with the Company's reporting criteria as described in the Report.

##### Limited assurance engagement

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

#### Independence

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
July 29, 2013



## Third-party Review of CSR Initiatives



**Ms. Yoko Takahashi**

President of Japan Philanthropic Association

### Profile

After serving as a high school teacher, Ms. Takahashi completed a professional counselor training course at the Counseling Institute of Sophia University and earned certification as a professional counselor. From 1985 to 1991, she provided guidance to students, teachers, and parents as a psychological counselor at Kanto Gakuin Junior & Senior High School. In 1991, she joined the Japan Philanthropic Association. In 2001, she became the organization's president after serving as a director and the secretary-general.

Ms. Takahashi is devoted to promoting CSR, with a focus on corporate social contribution. She aims to encourage the private sector to be of service to the public by making proposals for collaborative work with NPOs, government organization, and the like, as well as serving as a bridge between various sectors. Ms. Takahashi is also a writer and editor. Key works include "Philanthropy Nyumon" (Introduction to Philanthropy) and "Shakai Kouken e Youkoso" (Welcome to Social Contribution).

### 1. Significance of Integrating the Annual Report and the Report on Responsibility & Sustainability

A key feature of the Sumitomo Corporation Annual Report 2013 is that the former Report on Responsibility & Sustainability relating to CSR initiatives has been integrated into the annual report. I consider integrated reports to be an important tool offering an overview of a company's current status and direction. I also believe all of the hard work and debate that is put into the production process makes them even more significant. The report includes information on how each segment approaches CSR through its business activities, and I commend the focus on the pursuit of operations with an eye to practicing CSR. However, this is the first integrated report and I feel that there is still a long way to go to achieve true integration embodying Sumitomo's Business Philosophy. I therefore hope the Company will engage in free discussion and creative experimentation to make the report more sophisticated.

### 2. Expectation for Comprehensive Initiatives on the Issue of Water Resources

Global companies are increasingly expected to preserve the environment to help realize a sustainable society. I think that Sumitomo Corporation's proactive provision of training to increase employee awareness and similar initiatives are playing a major role in creating a climate conducive to those goals. I see these actions as steps building up to environmental management and accounting.

Water resource problems are an important global issue, and I think that Sumitomo Corporation's aggressive development of water business could also become an activity that contributes to local communities. I believe support on both fronts will tie into overarching contributions to resolving social issues.

### 3. Expectations for Social Initiatives

The report provides information from various perspectives based on the principle that human resources are the most valuable business resource, which helps promote greater understanding.

Regarding social contribution activities, I felt the report compellingly conveyed Sumitomo Corporation's various measures around the world, which are fitting for a global corporation. I also thought that the feedback from participants and benefactors as well as photographs added interest, and imparted a sense of warmth and energy to the report. However, I must say the information seemed very broad. I therefore suggest redefining measures as a corporate citizen centered on human resource development and environmental preservation, and organizing information by genre. I believe that connections among business and regional traits will be brought to the fore during this process, illuminating the path to the next step.

The clear establishment of pillars for assisting reconstruction after the Great East Japan Earthquake, namely human resource development and humanitarian assistance, and assistance for industrial reconstruction, raise expectations and trust of Sumitomo Corporation. I would like to see these robust measures used as a reference to extend assistance to daily support in all the affected areas.

I hope Sumitomo Corporation uses the report's publication as a stepping stone for taking an even more holistic approach to CSR management rooted in Sumitomo's Business Philosophy.

## Response to the Third-party Review

We would like to thank Ms. Yoko Takahashi for giving her valued review on the publication of the Sumitomo Corporation Annual Report 2013.

From fiscal 2013, Sumitomo Corporation has integrated its Report on Responsibility & Sustainability published through fiscal 2012 with its annual report by enhancing the latter's information on CSR measures. As Ms. Takahashi noted, our first step has been to integrate both reports together. We are watching trends in international frameworks pertaining to integrated reporting, and aim to deliver even better quality in fiscal 2014 and thereafter.

Of our social contribution activities that are centered on developing the next generation of human resources and contributing to local communities all over the world, we intend to focus even more on the former. We are currently working to enhance the Sumitomo Corporation Scholarship and the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan. The report provides an account of these initiatives' present status. The Sumitomo Corporation Group is

engaged in an array of social contribution activities worldwide. We are grateful for Ms. Takahashi's advice, which we intend to put to use in presenting information on our activities in a manner that is more easily comprehensible, and highlights connections between the activities and the characteristics of businesses and regions.

As for the special mention on water resource problems, we are grateful for Ms. Takahashi's recognition of the Sumitomo Corporation Group's water business. We also regard water resource problems as an important social issue. As a global corporate group, our basic stance is to work to solve problems through our business activities. In providing support through social contribution activities as well, we look to seize opportunities through dialogue with stakeholders we encounter on our business frontlines.

**Yasuyuki Abe**

Chair of the CSR Committee  
Director, Senior Managing Executive Officer,  
General Manager, Corporate Planning & Coordination Group