

# Human Resource Management

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 the 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 the 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 toward training and fostering new employees on a Companywide basis, the 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 2017,” to strengthen individual ability on a global basis, we will revise the Human Resource System and enhance personnel development programs. In addition, we will promote the appropriate allocation of human resources in line with the medium-to-long-term strategy.

## Vision of the Human Resources We Seek

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

In developing a vision of the human resources we are seeking 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 a 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

- |  |   |
|--|---|
| <b>1. Integrity and Sound Management</b> | To comply with laws and regulations, while maintaining the highest ethical standards.                         |
| <b>2. Integrated Corporate Strength</b>  | To create no boundaries within the organization; always to act with a Companywide perspective.                |
| <b>3. Vision</b>                         | To create a clear vision of the future, and to communicate to share it within the organization.               |
| <b>4. Change and Innovation</b>          | To accept and integrate diversity in values and behavior, and to embrace change as an opportunity for action. |
| <b>5. Commitment</b>                     | To initiate, own, and achieve organizational objectives.  |
| <b>6. Enthusiasm</b>                     | To act with enthusiasm and confidence, and to motivate others through such action.                            |
| <b>7. Speed</b>                          | To make quick decisions and act promptly.   |
| <b>8. Human Development</b>              | To fully support the development of others’ potential.  |
| <b>9. Professionalism</b>                | To achieve and maintain high levels of expertise and skills.  |

## Human Resource Management Initiatives

### ■ 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

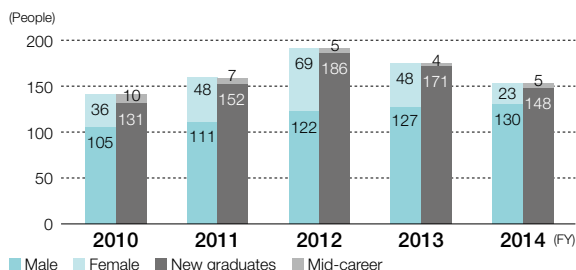
As a global business operator, we look for talented people who are able and eager to work in the global business arena. To this end, we conduct fair recruitment activities with respect for basic human rights and without discrimination. Specifically, we apply the same screening process to all employee 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.

Also, through the establishment of Sumisho Well Support Co., Ltd., in 2014 as our special subsidiary company, we have welcomed many employees with disabilities. As of April 1, 2015, employees with disabilities represented 2.25% of our workforce, a higher percentage than the statutory required level of 2.00%.

\* Total ratio of Sumitomo Corporation and Sumisho Well Support Co., Ltd.

### Number of New Employees and Breakdown



\* Total number of new graduates and mid-career 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 under human resource systems. With the revision of the Human Resource System in 2016, promotion to the managerial level will be made earlier than under the current system, a move that aims to enhance employees' awareness as managers at an earlier stage of their career and help them display their leadership qualities.

### Concept Diagram of Development of the “Human Resources We Seek”



### Companywide Guidelines on Job Rotations

At Sumitomo Corporation, Companywide guidelines on job rotations for younger staff members have been introduced, calling for employees to carry out three different job assignments during their first 10 years of employment, including one overseas assignment. This is to fulfill our vision of the “Human Resources We Seek” to realize what we aim to be in 2019, our centennial year.

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 Expansion in Number of Overseas Trainees' Sites

Sumitomo Corporation's Human Resource Development Fund, established in fiscal 2010, helps promote strategic and well-planned human resource development at each business unit and division through the financial support of a system for the overseas training of employees, including those who engage in language or studies in overseas locations, and those participating in the overseas executive training program.

The number of trainees dispatched overseas has been maintained around 100 annually, and the training areas and sites have been expanded to include emerging markets and Group companies. We aim to enhance “individual ability” by giving opportunities and placements to younger staff members through which they can consider, create, and execute business plans based on their new situation.



A program that makes use of the Human Resource Development Fund

Human Resource Management

**Reorganization and Development of the Head Office's Diverse Training Systems**

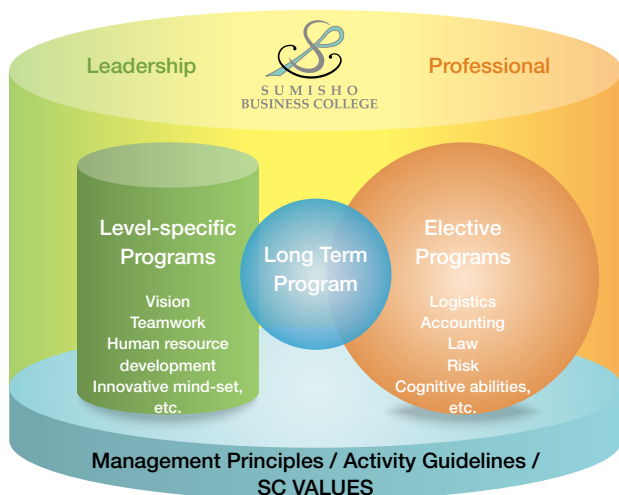
Sumisho Business College (SBC) offers about 300 programs per year that are designed to nurture the “Human Resources We Seek” to achieve our vision, with a focus on three areas: 1) Management Principles, Activity Guidelines, and SC VALUES, 2) Leadership, and 3) Professional. In fiscal 2013, 10,978 trainees 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 the 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 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 reorganizing and developing the diverse training systems needed to offer employees new skills and knowledge to enhance their “individual ability” and accelerate personnel development.

**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 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 of and strengthen their sense of unity as a member of the Group through reaffirming their understanding of Sumitomo’s business philosophy and the Group’s Management Principles. In addition, they share information on the Group’s management policies and strategies and improve their skills by attending various lectures. In addition, the training programs offer joint workshops in which Head Office employees also participate.

**Enhancing Global Human Resource Strategies**

From fiscal 2013, we reorganized our overseas offices into four broad regions. Under this new system, we are promoting the development and utilization of local human resources by organizations in each region. Specific measures include the 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 the Head Office in Tokyo to regional organizations with recruitment, establishing training systems, and other aspects.

**Overseas Employees by Region (as of March 31, 2015)**

(People)

	Locally hired employees	Hired by Head Office	Total
East Asia	581	92	673
Asia & Oceania	874	164	1,038
Europe, Middle East, Africa & CIS	653	180	833
Americas	520	193	713
Total	2,628	629	3,257

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

**Strengthening Globally Oriented Human Resource Development: 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 multipurpose 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 multipurpose, versatile space used to assist Head Office functions. In this facility, colleagues from around the



Sumitomo Corporation Global HRD Center

world, irrespective of organization or country, meet for intensive discussions on the future visions and strategies of the Sumitomo Corporation Group. In fiscal 2014, the facility was used by a total of 8,144 people from throughout the Group.

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

**Cultivating a Workplace Culture With Respect for Diversity**

Sumitomo Corporation promotes respect for the diversity of human resources in its workplace culture so that 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.

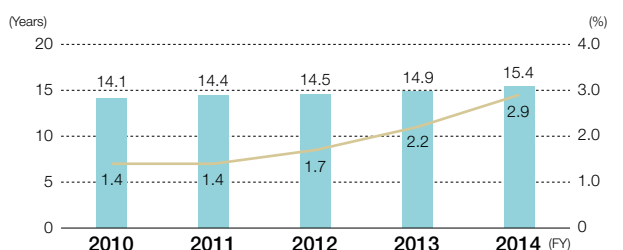
**Encouraging More Active Involvement of Female Employees in Business**

Aware of the support required for achieving a satisfying work-life balance, Sumitomo Corporation has introduced programs to encourage employees to work vibrantly and positively following maternity and childcare leave in addition to the systems of support that exceed requirements under the Child Care and Family Care Leave Law and related laws. For example, Sumitomo Corporation established the Triton Sukusuku Square in-house daycare center in 2008 to provide childcare services for Sumitomo Corporation Group employees, distributed a handbook that supports the achievement of balancing a professional career and childcare, and introduced a program that supports employees who only take their children with them while working overseas. Sumitomo Corporation was granted Platinum “Kurumin” certification, which is a recognition system established under the revision of the Act on Advancement of Measures to Support Raising Next-Generation Children. In June 2015, Sumitomo Corporation was one of the first five companies in Tokyo providing superior childcare support to receive the certification.



Platinum Kurumin Mark

**Ratio of Women in Managerial Roles and Years of Continuous Service**



■ Years of continuous service for women (left) — Ratio of women in managerial roles (right)  
 \* [Total Number of Women in Managerial Roles] FY2010: 2,792 FY2011: 2,730  
 FY2012: 2,665 FY2013: 2,627 FY2014: 2,620

**Promoting Work-Life Balance Programs and Measures**

Sumitomo Corporation believes workers who are fulfilled in both their professional and private lives find more energy and motivation, leading them to create new value. To this end, we organized a Companywide Work-Life Balance (WLB) Promotion Project Team. We also communicate actively with the employees’ union, to which the majority of employees belong (55.9% as of March 31, 2015), to enable us to reflect employees’ opinions as we formulate and implement measures.

**Diversity in Working Styles**

To respond to the diversified lifestyles and values of employees in addition to the needs of those working globally, more than 90% of the departments at Sumitomo Corporation have introduced flex-time programs and promote lively and flexible work arrangements to offer a higher quality of life and bring about efficient work practices.

**Usage of Various Systems**

(People)

System (FY)	2012	2013	2014
Spouse’s maternity leave	76	80	86
Leave to look after a sick child	107	128	139
Childcare leave	25	24	41

(FY)	2012*	2013	2014
New graduate retention rate after three years with the Company	96.9%	96.1%	97.3%

\* Percentage of new graduates who entered the Company in April 2010 and still belonged to the Company as of April 2013. The percentages for 2013 and 2014 were calculated in a similar manner.

**Providing Opportunities for Young Employees to Develop Their Careers and for Senior Employees to Make the Most of Their Experience**

Senior employees with abundant experience in their respective careers are chosen and designated as career advisors (CAs) for individual divisions to support employee career development.

These CAs have three major roles to play: they provide support and advice to subordinates and their managers and act as a bridge for communication between both sides. The CAs thus support the creation of a positive work environment in which employees can exercise their abilities and draw on their personality traits to the maximum extent.

Sumitomo Corporation established the SCG Counseling Center to promote mental healthcare for Group employees in 2005 so that they can better concentrate on their business. The staff at the center consults with employees on not only their business affairs or working environment but also family issues or trouble in their daily life. Visits to the center are completely anonymous.

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