Top Message

Sumitomo's Business Philosophy handed over for 400 years and expressed as “Benefit for self and others, private and public interests are one and the same” (meaning that Sumitomo’s business, while benefiting Sumitomo, must also benefit the nation and society) is the foundation of Sumitomo Corporation Group’s management and business activities and is retained in our Management Principles.

We are currently clarifying the roles that the Sumitomo Corporation Group must play to address various social issues while enhancing sustainability management that can strategically allocate management resources in anticipation of long-term changes in the business environment and create the value that society truly needs.

Climate change, in particular, is an extremely critical issue that must be overcome in order to achieve a sustainable society and we are committed to aim at making our group’s business carbon neutral in 2050.

Aim high, act on our principles and execute. Sumitomo Corporation Group will act as one in unceasing challenges for new value creation to realize our dreams.

As a part of its efforts to enhance sustainability management, this fiscal year the Sumitomo Corporation Group identified six key social issues that it will work to address. The Group also set long-term goals linked to those issues. Furthermore, we have committed to setting medium-term goals, incorporating them into concrete action plans, and implementing those plans as per schedule. We believe that defining social issues that we will face, clarifying the paths to achieving our goals, and openly sharing our progress are all part of the social responsibility required of companies.

We are also convinced that pursuing the ideal society will lead to the creation of even more business opportunities. The ESG initiatives of the Sumitomo Corporation Group are positioned to contribute to the creation of a sustainable society and as our own innovation measures for the creation of new business, and we will carry them out in collaboration with various stakeholders.

Through our business activities, we will become a better member of society. This is the true embodiment of our corporate message—Enriching lives and the world. We hope that our actions will live up to your expectations.

President and CEO

Chairperson of the Corporate Sustainability Committee

Representative Director
President and Chief Executive Officer
Masayuki Hyodo

Representative Director
Senior Managing Executive Officer
Hideki Yamano
Business Philosophy and Corporate Mission Statement

Our business was founded on Sumitomo’s Business Philosophy and Sumitomo Corporation Group’s Management Principles. The year 2019 will mark the 100th anniversary of our company. Since our foundation, we have always placed importance on trust and certainty based on the spirit of “Benefit for self and others, private and public interests are one and the same” and in accordance with Sumitomo’s Business Philosophy and Sumitomo Corporation Group’s Management Principles. To deal with the change of the times, we have accordingly changed our business through our constant effort to stay a step ahead and create new value so that we can contribute broadly to society. Sumitomo’s Business Philosophy and Sumitomo Corporation Group’s Management Principles have supported our growth over the last 100 years and will ensure sustainable growth and help create long-term corporate value over the next 50 and 100 years.

Sumitomo’s Business Philosophy

Sumitomo’s Business Philosophy has been refined through many generations based on the Founder’s Precepts “Monjuin Shiigaki,” which Masatomo Sumitomo (1585-1652), the founder of the Sumitomo family, wrote and handed on to describe how a merchant should conduct business. The basic points of Sumitomo’s Business Philosophy have been passed on in the form of the two articles of the Business Principles.

Article 1 emphasizes the utmost importance of integrity, while Article 2 advocates the importance of having an enterprising spirit to generate profits quickly and faithfully while adapting to a changing society, and renovating business operations while avoiding the pursuit of easy gains or acting carelessly. Sumitomo’s Business Philosophy, which has been written and passed on since the Founder’s Precepts was written, still serves as the timeless principles Sumitomo Group companies follow in their activities.

There are also several other credos that are contained in Sumitomo’s Business Philosophy. One example is: “Benefit for self and others, private and public interests are one and the same.” To put it another way, Sumitomo’s business, while benefiting Sumitomo, must also benefit the nation and benefit society. This represents the corporate vision that the Sumitomo Corporation Group as a whole must pursue at all times.

The second credo is “Grand Design.” This derives from copper mine management, Sumitomo’s core business in its early days, which required long-term vision and continuous effort. This attitude of viewing business from a broad and long-term perspective and working for the benefit of the entire nation and society based on foresight of the future has been inherited from preceding Company operators. The third credo is “People are our most important asset.” The cultivation and development of human resources has always been our most important concern regardless of the times. Sumitomo’s Business Philosophy thus stresses the need for an enterprising spirit to stay a step ahead in dealing with change, while ascribing importance to maintaining integrity and sound management, avoiding easy gains, and working for the public interest, without being misled by short-term immediate changes. This philosophy has continuously formed the basis of Sumitomo Corporation Group’s business for more than 400 years.

Corporate Mission Statement

Sumitomo Corporation Group’s Management Principles are a contemporary translation of Sumitomo’s Business Philosophy, which was devised 400 years ago, using simplified language and a clear structure, and rewritten from a more global perspective. The Activity Guidelines provide guidance on how each company as well as their executives and employees should behave as they conduct daily business activities to realize the Management Principles.

As declared in the Management Principles, our corporate mission is to support our shareholders, clients, local communities, employees, and everyone else around the world in their endeavors to achieve economic and spiritual prosperity and realize their dreams through our sound business activities. We also maintain—throughout our business practices—a unique management style that respects the personality of each Individual and places prime importance on integrity and sound management, which represent the essence of Sumitomo’s Business Philosophy, while cherishing a corporate culture that allows each employee to take the initiative and demonstrate creativity that is conductive to continuous reform and innovation.

By sharing the values presented in the Management Principles and the Activity Guidelines across the Group to materialize them in specific business activities, 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.
Material Issues

Sumitomo Corporation Groups Material Issues

In April 2017, Sumitomo Corporation Group identified its material issues that illustrate the relationships between its business activities and society. These material issues are important elements that we should refer to in making decisions on growth strategies and the management of individual business lines.

Leveraging our trust-based relationships with customers and partners across the globe and utilizing our business expertise, we will secure our growth and address social issues simultaneously by fulfilling our Corporate Mission: “To achieve prosperity and realize dreams through sound business activities.”

<table>
<thead>
<tr>
<th>Feature</th>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
<th>ESG Quantitative Data</th>
<th>Third-party Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieving Harmony with the Global Environment</td>
<td>Establishing a Foundation for Comfortable and Enriching Lifestyles</td>
<td>Contributing to the Development of Local Communities and Industries</td>
<td>Providing Diverse “Accessibility”</td>
<td>Developing Human Resources and Promoting Diversity</td>
<td>Enhancing Governance</td>
</tr>
</tbody>
</table>

Achieving Harmony with the Global Environment
To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.

Establishing a Foundation for Comfortable and Enriching Lifestyles
We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.

Contributing to the Development of Local Communities and Industries
We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.

Providing Diverse “Accessibility”
We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.

Developing Human Resources and Promoting Diversity
In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.

As a prerequisite for resolving the issues listed above, we strive to maintain and enhance our Management Style that places prime importance on integrity and sound management with utmost respect for the individual and our Corporate Culture full of vitality and conducive to innovation.

Enhancing Governance
We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.
Material Issues

Material Issues Initiatives

Sumitomo Corporation Groups material issues illustrate, in an easy to understand way, how the group addresses social issues through its business activities in accordance with its Management Principles so as to contribute to achieving sustainable societies. These material issues show stakeholders and our company's executives and employees how the group applies the Management Principles. The entire group is involved in addressing these issues.

Material issues initiatives include: implementation of the Management Principles in individual business activities and the provision of the value necessary in our society from a long-term perspective; careful management of impacts of the entire group's business activities on society and the environment; and a grasp of business opportunities in the long-term trends of social issues to strategically develop business projects that contribute to addressing social issues.

We believe these initiatives help enhance the long-term business growth and stability of our company, constantly improve our group's value, receive high evaluations and trust from various stakeholders, and raise employees' motivation.

Important factor on decision-making process
= making decisions on strategies and individual investments base on the trend of long-term social issues and attitude towards provision of value required by society

Practice on Management Principles through Each Business
Provision of value, governance, and risk control respond to long-term social trend

Control of Impacts to Social / Environmental Issues on Business
Social/environmental risk management on our group and supply chain

Strategic Development of Business for Solving Social Issues
Allocation of resources to emerging fields / Creation of next-generation business

Increase in stability and growth potential on management and corporate value in the long-term
Better recognition from shareholders and stakeholders
Increase in employees’ motivation
Sumitomo Corporation Group’s value creation model is stood on its management base, which comprise global networks of numerous group companies and offices, business relations in diverse industries, human resources and business know-how generated through such networks and relations, as well as the strong trust and stable financial basis which we have developed over many years. Sumitomo’s business philosophy and management principles are placed at the core of our value creation model. Along these lines, we will train and utilize our human resources, who are our most important management resource, and combine our management base to create diverse businesses and ensure governance over the entire scope of our activities. In the current movement of innovation and social issues, we will stay a step ahead in dealing with changes. Through our activities of upgrading our existing businesses and developing new frontiers, we will provide new values and contribute to the creation of a sustainable society. This is exactly how Sumitomo Corporation Group creates values.
Medium-term Management Plan

In May 2018, we formulated “Medium-Term Management Plan 2020” to cover the three-year period from FY2018 to 2020. The plan was designed in response to a business environment in which the structure of industry is undergoing major change, with the rapid advance of IoT, AI, and other technologies resulting in the acceleration of the integration and globalization of all industries. The plan calls for ongoing initiatives to enhance the management bases, while placing the main focus on promotion of growth strategies, as we continue with “unceasing challenge for new value creation.”

More specifically, we focus our efforts on the following three strategies to drive our growth strategies: “increase the value of existing businesses” to pursue the maximum potential of each business and respond promptly to changes in the business environment; “create next-generation businesses” by identifying emerging fields in anticipation of social changes and issues and create systems for the development of value-creating businesses; and “leverage business platforms” to aim for organic and multilevel collaboration between our businesses on the strength of our rich variety of contacts with different industries, societies, and regions. We also identified three fields -- healthcare, social infrastructure, and technology x innovation -- that are expected to grow significantly despite the accelerating change in the business environment, based on megatrends and our material issues. Through the creation of new next-generation business opportunities in these fields, we will build new revenue streams from a long-term perspective with the aim of improving our corporate value not only during the three-year period of the current Medium-Term Management Plan but over next 10 and 20 years.

The Medium-Term Management Plan 2020 also calls for enhancing the management base to support growth strategies. Specific efforts include the reinforcement of supervisory functions of the Board of Directors and the enhancement of Group governance through internal control as well as creation of a corporate culture where diverse human resources and individuality can be effectively used.

Creating the next-generation businesses:
Allocating management resources to 3 growth fields in prioritized manner

<table>
<thead>
<tr>
<th>Growth Fields</th>
<th>Case</th>
</tr>
</thead>
</table>
| **Technology x Innovation** | - Acquisition of a stake in Sekal AS, a developer of automated oil and gas drilling process control software (Metal Products)  
- SG-related business (localized 5G solutions and base-station sharing) (Infrastructure / Media & Digital)  
- Investment in Elephantech Inc. in the printed electronics field (Mineral Resources, Energy, Chemical & Electronics) |
| **Healthcare**         | - Promotion of managed care business in Malaysia (Living Related & Real Estate) |
| **Social infrastructure** | - Acquisition of AIMO Park, a parking lot business operator in Northern Europe (Transportation & Construction Systems) |
Sumitomo Corporation has established the Corporate Sustainability Department, which is responsible for the planning of measures to promote sustainability and ensuring their implementation throughout the organization. Meanwhile, the department coordinates with general managers, who are responsible for promoting sustainability within each business unit, and with the sustainability promoting staff of each business unit’s Planning & Coordination Department. The department also works with the sustainability promoting staff of relevant corporate departments and overseas regional organizations to ensure that sustainability promotion measures are fully implemented groupwide and also that the different business units and regional organizations pursue measures tailored to the specifics of their business or region.

The Corporate Sustainability Committee acts as an advisory body to the Management Council and discusses important policies, measures, and initiatives relating to the promotion of sustainability. Important initiatives relating to sustainability promotion are referred by the committee to the Management Council and the Board of Directors for further discussion. Some important initiatives are subject to the decisions of the Management Council and the supervision of the Board of Directors.
How to Understand Sustainability / Sustainability Promotion System

UN Global Compact

The Global Compact (GC) was proposed by the former UN Secretary General Kofi Annan at the World Economic Forum (in Davos) in 1999 and officially launched in 2000 at the UN Headquarters in New York. The GC is an initiative aimed at realizing the sustainable growth of the global economy through the voluntary participation of businesses in a worldwide network. The UN invites companies and organizations from around the world to join in the GC and currently has over 13,000 companies and organizations from approximately 160 countries participating.

The Global Compact’s 10 Principles

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

We Support

The GC has compiled 10 universal principles recognized by the international community based on international agreements in the areas of human rights, labour standards, environment and anti-corruption. Participating companies adopt the 10 principles into their business operations and strategies and are expected to assume responsible and creative leadership as a good corporate citizen for the purpose of achieving sustainable growth.

In March 2009, Sumitomo Corporation Group signed the UN Global Compact and declared its support for the 10 principles, shares the same values as our Corporate Mission Statement. We are raising the awareness of our officers and employees around the world regarding their purpose and making efforts to further increasing our corporate value by constantly seeking out areas of our business activities that can be improved in light of the values advocated by the 10 principles.

We are also actively participating in the activities of Japan’s local network, Global Compact Network Japan, as one of the board member companies. In FY2019, we took part in working groups on: environmental management related to climate change, biodiversity and other environmental issues; human rights due diligence; reporting; supply chain; SDGs; and ESG. Through this involvement, we acquire information on recent global trends in these areas, learn of examples of superior initiatives, and are provided insight from specialists. This knowledge is utilized to help the Company promote Sustainability.
Social Issues and the Groups Business Activities

At present, international organizations, national governments, local governments, private enterprises, and other groups and individuals throughout the world are cooperating to achieve common goals for sustainable development: The Sustainable Development Goals (SDGs). The SDGs are becoming the common language for people who are addressing many social issues to achieve sustainable societies. Our Group will contribute to achieving various SDGs and realizing a sustainable society through addressing material issues in our diverse business activities covering different countries and industries.

<table>
<thead>
<tr>
<th>Major Risks (enhancement of competitiveness)</th>
<th>Major Opportunities (expansion of earning opportunities)</th>
<th>SDGs</th>
<th>Material Issues</th>
</tr>
</thead>
</table>
| Climate Change
- Decreased demand for coal fuel due to GHG emissions regulations, etc. | Promotion of renewable energy business and environmentally conscious business, etc. | 7 8 15 20 23 | |
| Water Resources
- Continuity risks for business involving production processes in water shortage areas, etc. | Promotion of water supply and sewerage/freshwater generation business to contribute to addressing water issues around the world, etc. | 6 10 11 | |
| Biodiversity
- Impact of shortage of raw materials due to destruction of natural ecosystems, reputation loss due to manifestation of adverse impacts, etc. | Creation and development of business opportunities by maintaining and protecting ecosystems, improvement of employee motivation, etc. | 12 | |
| Environmental Pollution
- Reputation loss and decreased trust due to the occurrence of environmental problems, etc. | Development and stability of business through harmonious coexistence with the global environment, etc. | 13 | |
| Resource Use
- Business continuity risk due to the loss of the public value of forests, etc. | Expansion of forest management business by securing and using sustainable forest resources, etc. | 14 | |
| Human Rights
- Hollowing out of human resources, reputation loss and decreased trust as a result of human rights violation, etc. | Development and stability of local communities and business through harmonious coexistence with local residents, etc. | 15 | |
| Work Health and Safety/Health and Productivity Management
- Decreased labor productivity, hollowing out of human resources, and business continuity risk due to inappropriate risk management, etc. | Improvement of labor productivity and employee motivation by giving due consideration to health, etc. | 16 | |
| Human Resources Management
- Hollowing out of talented human resources, decreased labor productivity, decreased motivation of employees, and business continuity risk due to lack of appropriate measures and inappropriate working environment, etc. | Human resources retention, enhanced labor productivity, increase in employee motivation, and opportunities to enter new business areas through providing appropriate human resource development programs and realizing a fulfilling working environment, etc. | 17 | |
| Supply Chains
- Business continuity risk and reputation loss as a result of the occurrence of problems related to the environment, human resources and labor practices in supply chains, etc. | Development and stability of business by resilient value chains, etc. | 18 | |
| Industrial/Technological Innovation
- Deterioration of existing business and hollowing out of human resources as a result of the shift to ICT, the disappearance of borders for all industries, and complexity, etc. | Enhancement of existing business and creation of new business models through the shift to ICT, etc. | 19 | |
| Healthcare
- Medical malpractice-related risks, etc. | Improvement of access to better medical care, enhancement of efforts to respond to increased demand for drugs, etc. | 20 | |
| Local infrastructure/Community Planning
- Business continuity risks as a result of the occurrence of problems related to the environment, human resources and labor practices at sites of urban development and infrastructure construction, etc. | Promotion of urban development and infrastructure projects mainly in emerging countries, etc. | 21 | |

* This book consists of the items above based on the expectations of a representative ESG rating organization for our company.
## Social Issues and the Groups Business Activities

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Metal Products</th>
<th>Transportation &amp; Construction Systems</th>
<th>Infrastructure</th>
<th>Media &amp; Digital</th>
<th>Living Related &amp; Real Estate</th>
<th>Mineral Resources, Energy, Chemical &amp; Electronics</th>
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<tr>
<td><strong>Business Examples</strong></td>
<td>Steel Service Center</td>
<td>EV car-sharing in Sweden</td>
<td>Sewage treatment plant in Rio Grande do Sul Province</td>
<td>J:COM 4K Demo Event</td>
<td>Interior of Summit supermarket, Hon-Amanuma store</td>
<td>San Cristobal silver, zinc and lead mine</td>
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<tr>
<td></td>
<td>Long rail transport vessel</td>
<td>Motor grader used for ground leveling</td>
<td>Dorper Wind Farm Pty Ltd. in South Africa</td>
<td>Telecommunications business in Myanmar (MPT)</td>
<td>SC Foods “Yongenton Silky Pork®”</td>
<td>Diademed sifaka (Propithecus diadema), critically endangered species (Ambatovy Project)</td>
</tr>
<tr>
<td></td>
<td>Remarkable improvement in the safety of workers through the introduction of non-contact tags</td>
<td>Lunar module manufactured by ispace (illustration)</td>
<td>Dorper Wind Farm Pty Ltd. in South Africa</td>
<td>Promoting DX Groupwide</td>
<td>Forest owned by Terneyles</td>
<td>Agrochemical project in Brazil (Agro Amazonia Produtos Agropecuarios Ltda.)</td>
</tr>
</tbody>
</table>

<table>
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</table>

| Climate Change | P36,37 | P35, P36 | P36 | P36, P38 |
| Water Resources | P39, P40 | | | |
| Biodiversity | P43 | | P43 | P42 |
| Environmental Pollution | P47 | | P46 | |
| Resource Use | P47 | | P46 | |
| Human Rights | P28 | | P28 | |
| Work Health and Safety/Health and Productivity Management | P58 | | P57 | P50, P57 |
| Human Resources Management | P64 | | | |
| Supply Chains | P75 | | P75 | |
| Industrial/technological innovation | P76 | | P76 | |
| Healthcare | P77 | | P78 | |
| Local Infrastructure/ Community Planning | P80 | | P79 | |

* This book consists of the items above based on the expectations of a representative ESG rating organization for our company.
Enhancing Sustainability Management

Sumitomo Corporation Group will take a step forward in its sustainability management utilizing its strengths. We will create the value that society truly needs by further clarifying the roles we play in achieving a sustainable society and strategically allocating management resources as we anticipate the shifting business landscape impacted by these social issues.

**Sumitomo Corporation Group’s Sustainability Initiatives**

Sumitomo Corporation Group has grown into an integrated trading company over the past 100 years since it was originally founded as the Osaka North Harbor Company Limited in 1919. The history of Sumitomo, which formed the basis of Sumitomo’s Business Philosophy, can be traced back to some 400 years ago when its business focused on copper refining which later advanced to copper mining. All employees of Sumitomo Corporation learn the history of the Besshi Copper Mines. Through its modern business management, the Besshi Copper Mines contributed in leading industrial development in Japan, however, there were negative impacts on local communities including deforestation of nearby forests and damage to agricultural crops from sulfur dioxide emitted by smelters. Management at that time took measures including reforestation of the Besshi Copper Mines and relocation of the smelting plant to an uninhabited island off the coast.

“Benefit for self and others, private and public interests are one and the same”, which is one of the credos of Sumitomo’s Business Philosophy, and the actions taken by our predecessors to prioritize the sustainability of natural environment and the local community over short-term profit, are deeply rooted in heart of every employee at Sumitomo Corporation. We are confident that our business serves the public interest. [⇒Sumitomo’s Business Philosophy P3]

Today, after 100 years since the Osaka North Harbor Company Limited has established, we have 70,000 employees working at more than 900 group companies in 81 countries and regions and we do our business by engaging with multiple stakeholders including customers, local communities, business partners and employees. Our business as well as our relationship with the stakeholders have expanded to a global scale and we believe that our mission is to protect the planet and pursuing development for the world and better lives for our stakeholders. [⇒Corporate Mission Statement P3]

**What We Need to Do Now**

Today, we face many social challenges that threaten the sustainability of society including climate change, loss of biodiversity, and human rights issues. Global goals and guidelines are adopted such as the Paris Agreement, the UN’s Social Development Goals (SDGs), and the Business and Human Rights Guiding Principles, and various players including corporations are making efforts to achieve these goals.

In 2017, based on Sumitomo’s Business Philosophy and Sumitomo Corporation Group’s Corporate Mission Statement, the Group identified the six material issues for achieving sustainable growth with society. Of the six material issues, four were identified as how each of our business contributes to society and two were added as our important management topics. We have been placing the six material issues at the core of our management to constantly be aware that the business strategies and each business align with the material issues and making sure that Sumitomo Corporation Group is contributing to society. [⇒Sumitomo Corporation Group’s Material Issues P4-5]

However, social issues such as the climate change have become increasingly serious and have become a major threat to the sustainability of society. We believe that we now need to make an even stronger commitment to further identifying the issues that we should address and the roles that we should take for the development of a sustainable society, and the Sumitomo Corporation Group has commenced initiatives to enhance its sustainability management. [⇒P12-16. Enhancing Sustainability Management P12-16]
As Sumitomo Corporation works to enhance its sustainability management, we have identified six key social issues related to our business that we address through our business and corporate activities. The six key social issues are: “Mitigation of climate change”, “Circular economy”, “Respect for human rights”, “Development of local society and economy”, “Improvement of living standard” and “Quality education”.

As we pursue these lofty goals, it will be necessary for us to demonstrate our strengths as an integrated trading company. The Group will make use of its human resources, business expertise as well as networks and business relationships. The six social issues will demonstrate our role in the society and become our guideline to the Group’s entire business operations.

The six social issues have two themes: the sustainability of society and development and advancement of society. The sustainability of society is a globally shared goal as well as a major premise of the Group’s business. On the other hand, the solutions for pursuing the sustainability of society will be generated from further social and economic development and therefore, we believe that these two themes are mutually complementary. Also, we will pursue to achieve these goals through business activities, however, we will contribute to providing quality education through our philanthropy as well as human resources development initiatives.

**Key social issues and long-term goals for Sumitomo Corporation Group**

<table>
<thead>
<tr>
<th>Development and evolution of the society</th>
<th>Sustainability of the society</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Long-term goals] [Key Social issues]</td>
<td>[Key Social issues] [Long-term goals]</td>
</tr>
<tr>
<td>• Contribute to development of local industries and human resources</td>
<td>• Aim carbon neutrality by 2050 and challenge to realize sustainable energy cycle</td>
</tr>
<tr>
<td>• Develop industrial and social infrastructure</td>
<td>• Shift to recyclable, efficient technologies and products</td>
</tr>
<tr>
<td>• Provide advanced lifestyle-related services</td>
<td>• Sustainable use of natural resources</td>
</tr>
<tr>
<td>• Contribute to quality education</td>
<td>• Respect human rights through all of our businesses and supply chains</td>
</tr>
</tbody>
</table>

Sumitomo Corporation Group’s Corporate Mission Statement

“Material Issues”*

Our diverse human resources, Multifaceted business expertise, Global networks, Business relations with partners and customers

* Priority issues identified for SC Group to pursue sustainable growth with the society
Enhancing Sustainability Management

Key Social Issues and Long-Term Goals for Sumitomo Corporation Group

For development and advancement of society, we identified development of local society and economy, improvement of living standard, and quality education as the key social issues.

The Group's business is expanding to countries and regions around the world. Helping to develop the communities where we do business is a common challenge to all our business operations. The Group will contribute to industrial development as well as human resource development in the local communities and will endeavor to provide industrial and social infrastructure.

The world's population continues to grow, and many areas are facing problems such as aging and urbanization. The Group will make effort to provide advanced life-related services that contribute to a better life for all people.

Quality education plays an important role in the development of local communities and economies, which enriches people's lives and leads to creation of a sustainable society. The Group will promote various activities, including philanthropy, to contribute to quality education.

We identified mitigation of climate change, circular economy, and respect for human rights as social issues that must be addressed to pursue a sustainable society.

Preventing global warming and mitigating climate change are urgent issues that are indispensable for realizing a sustainable society. The Sumitomo Corporation Group seeks to become carbon neutral in its business by 2050 and develop sustainable energy cycles and create new business.

The circular economy through recycling, reuse, reproduction, resource-saving product development, and sharing is an important element for maintaining social sustainability. The Group will contribute to achieve circular economy by recycling, switching to resource-saving technologies and products, and working on sustainable procurement of natural resources.

Respect for human rights is a universal issue that must be achieved in any place and at any time. The Group operates business while engaging with multiple stakeholders including customers, local communities and employees, and we will strive to respect human rights throughout the Group's business and supply chains.

Long-term goals for individual key social issues include, for example, aiming carbon neutrality in 2050, which will be addressed on a long-term basis. Meanwhile, there are goals that we must constantly work on, such as respecting human rights in all businesses and supply chains. We will set specific medium-term targets for achieving these long-term targets, monitor KPI, and take actions while disclosing our progress to stakeholders.
For Taking a Step Forward in Our Sustainability Management (the Material Issues and the Key Social Issues)

Sumitomo Corporation has identified its material issues in 2017 which are the Group’s priority issues in order to sustainably grow in harmony with society. Based on Sumitomo’s Business Philosophy and Sumitomo Corporation Group’s Corporate Mission Statement, we organized how each business in our portfolio contributes to society and classified them into four material issues. In addition, two issues were added, which are our important management topics. We have been placing the six material issues at the core of our management to constantly check that the business strategies and each business align with the material issues and making sure that they are contributing to solve the social issues.

On the other hand, with the newly identified key social issues and their long-term goals, Sumitomo Corporation Group will take a step forward in its sustainability management by defining the role it plays in achieving a sustainable society.

We believe that both of these initiatives are essential in order to understand how our business relates to social issues and also to make clear commitments to society.

### Six Material Issues to Achieve Sustainable Growth with Society

- Important issues that should be prioritized by making the most of our strengths through business activities
- Illustrate how our business contributes to society
- The basis of mid to long-term management strategies and individual business activities
- Confirm that all strategies and businesses are compatible with the material issues

### Key Social Issues and Long-Term Goals for Sumitomo Corporation Group

- Social issues closely related to our business activities
- Commitment to the role of the Group in achieving a sustainable society
- Set medium-term targets and KPIs and monitor progress
Enhancing sustainability management at Sumitomo Corporation goes beyond identifying issues and setting goals.

In addition to clearly commit to the role we play in achieving a sustainable society, it is necessary that we focus on the optimal status of companies and their business that will be needed in a sustainable society, such as carbon neutrality, circular economy and zero violation of human rights. We need to recognize the paths to achieve them and the challenges to be overcome, and consider the strategies and allocation of management resources that we should implement from a long-term perspective.

We believe that capturing and pursuing the ideal state of society will bring more business opportunities. The Sumitomo Corporation Group's sustainability management is about perfectly aligning the vision of a sustainable society with the Group's value creation and sustainable growth, and we continue to work on establishing a management framework to achieve the vision.