

Human Resources Strategy in the New Medium-Term Management Plan

SHIFT→2023→

-Human Resources System Revision-

Sumitomo Corporation

May 10, 2021

Our goals under the Global HR Management Policy

“What We Aim For” and “Our HR management vision” set forth in our Global HR Management Policy



| SC people | [Top tier professionalism](#)

The Sumitomo Corporation Group aims to be a group of Individuals **creating new value on a global scale**, sharing **SC Group’s vision and mission**, and maintaining high aspirations and a continuous **intrinsic motivation** with enterprising spirit.

| SC organization | [Great place to work](#)

The Sumitomo Corporation Group aims to build a **Great Place to Work** on a global scale, where individuals continuously and passionately create new value. We aim to be an organization continuously recognized as the place to take on challenges, turning out talents throughout the world.

| Our HR management vision set forth in our Global HR Management Policy |

Diversity & Inclusion

Right talents to the right places on global basis

Autonomous growth of individuals

Fair treatment according to performance

Enhance our people management capabilities

Direction of our human resources management reform

Revising our HR system to embody our Global HR Management Policy

Concept of our new HR system

Pay for Job, Pay for Performance

Introduction of the job grading system

Termination of seniority-based system

Optimal placement of the best talents

Training and developing top tier professionals

Shift to diverse models of professional training

Evaluation system reform

Thorough, attentive communication

Introduction of the job grading system

Introduction of the job grading system

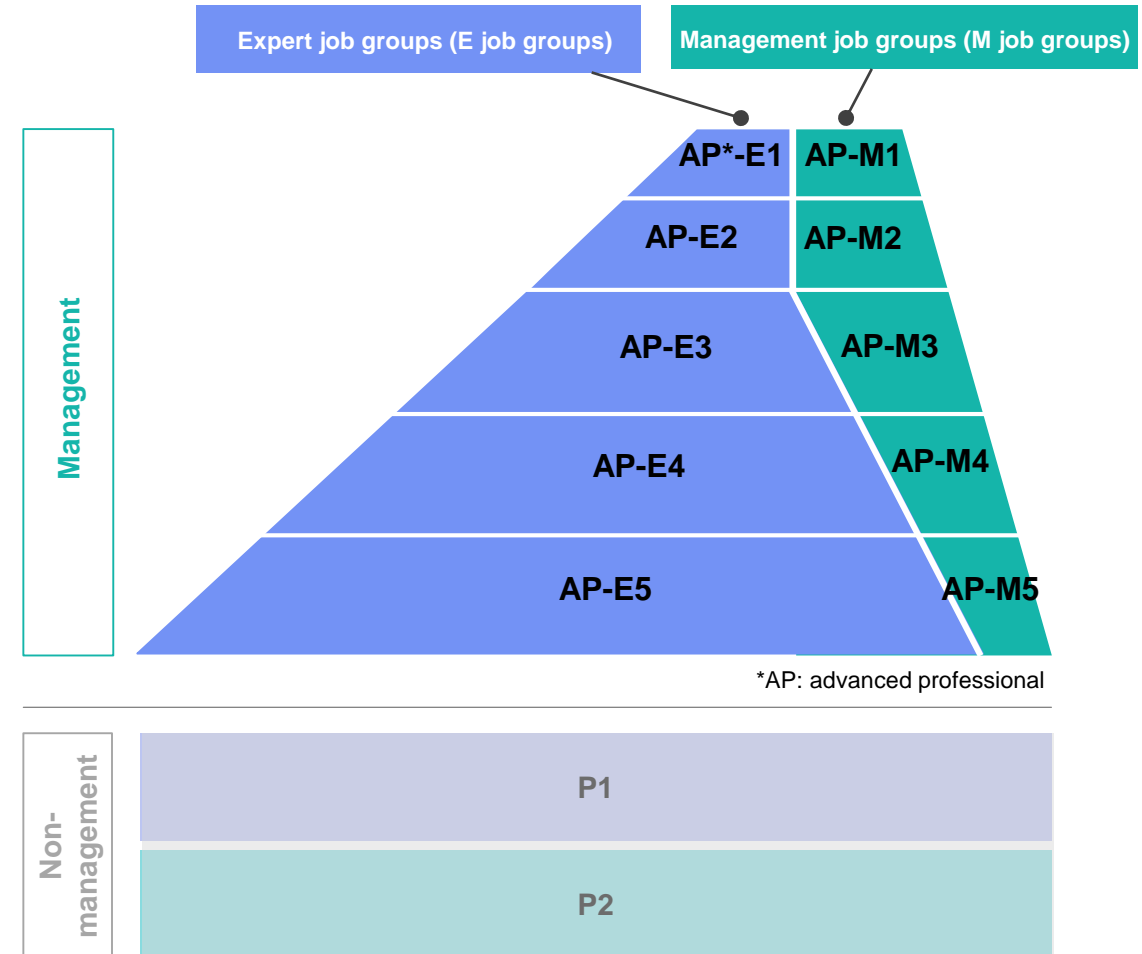
Termination of seniority-based system

Optimal placement of the best talents

Shift to diverse models of professional training

Introducing a job grading system for managers that enables highly mobile personnel allocations and revitalizes personnel in all generations

- **Terminate seniority-based system** for managers and introduce a **job grading system** that determines grades according to job size.
- Maximize organizational performance by **optimally allocating the best talents** with an emphasis on expertise and skills.
- Pursue **human resource revitalization in all generations**, from recent university graduates to veteran employees, through job-based HR management.
- Achieve a **shift to diverse models of professional training** with double track formats consisting of expert job groups, which demonstrate high levels of creativity and expertise, and management job groups, which are responsible for organizational management.



Role grading system for non-managerial jobs

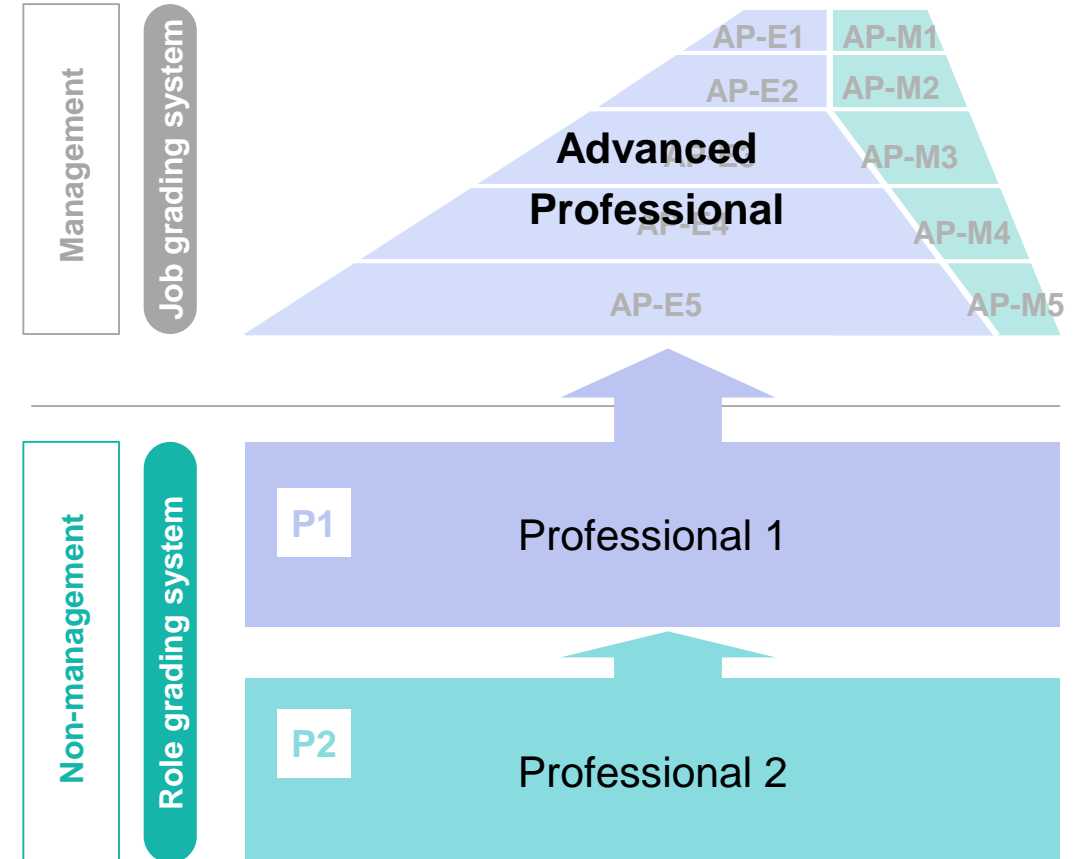
Termination of seniority-based system

Optimal placement of the best talents

Shift to diverse models of professional training

Enable early promotion to managerial positions and shorten training periods

- New graduates start at Professional 2, and as a general rule, are eligible for promotion to Professional 1 **in four years time** if they are university graduates.
 - Professional 1 individuals are positioned as potential managers. They can be promoted to a managerial position **in a minimum of one year** depending on their ability.
- ⇒ This means university graduates can be promoted to managerial positions **in a minimum of five years**.
(The system allows for promotion in an even shorter period of time.)
- In addition to OJT and training-oriented placements, various training and practical overseas training systems will be provided to accelerate human resource development.



Autonomous career development

Shift to diverse models of professional training

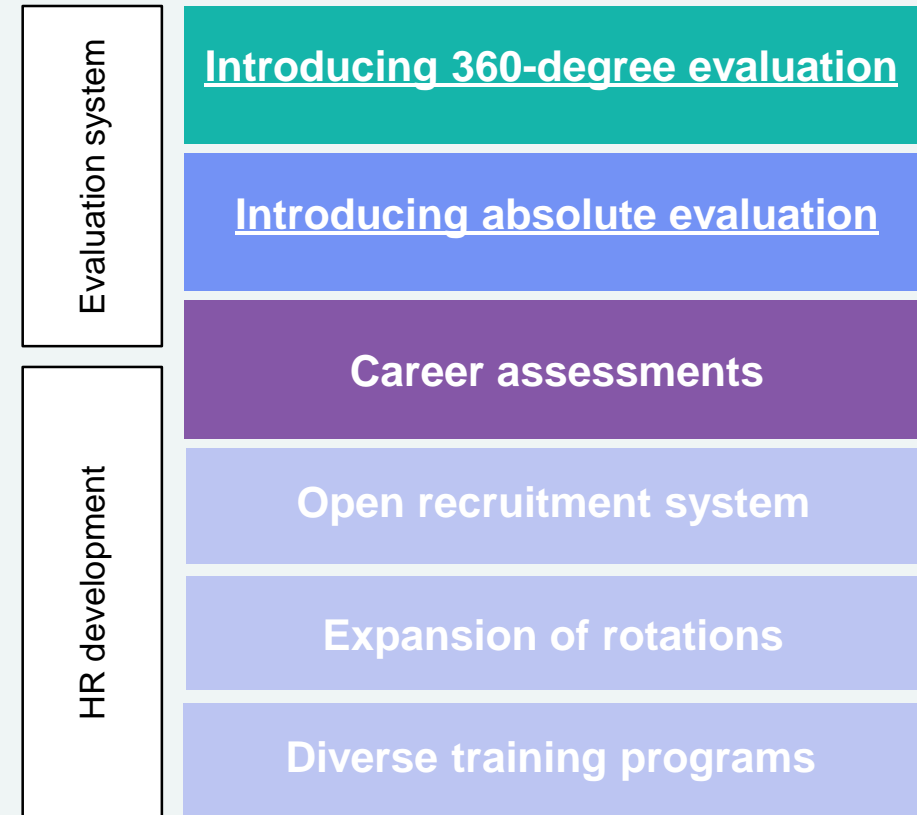
Evaluation system reform

Thorough, attentive communication

Systems for evaluation and human resource development will be reformed to support individuals' autonomous career development according to each person's strengths and aptitudes.

- By introducing “**360-degree evaluation**” and “**absolute evaluation,**” we will improve fairness in our evaluations and draw out our talents' potential by paying earnest and full attention to them as individuals.
- Through **career assessment**, we will enhance our reviews on each of the individuals' career trajectories, experience, aptitude and challenges to optimize how we match training needs with business needs.
- We will support the **autonomous career development** of each individual through a diversity of settings where they can take on challenges in the course of advancing their business objectives and also through an extensive human resource development program.

Measures to enable autonomous career development



Promotion of women's empowerment

We set target values and implement various measures by positioning the promotion of women's empowerment as the most important issue for diversity and inclusion in Japan.

Target values associated with the promotion of women's empowerment	FY2030
Female directors and corporate auditors	30% or more
Female management	20% or more
Female department manager positions	10% or more

Specific measures to achieve these goals

- **Strengthen our recruitment capabilities** by providing information on cases of active participation of women, and by reviewing our recruitment methods and processes.
- Systematic human resource development through succession planning
- The **expansion of human resource development measures** will enable women to take on the challenge of career advancement without hesitation. Promote improvements to our infrastructure and environment, and ongoing awareness reforms.

Establish PDCA cycles for the progress of target achievement and implementation of specific measures.

Measures to support balancing work with life events

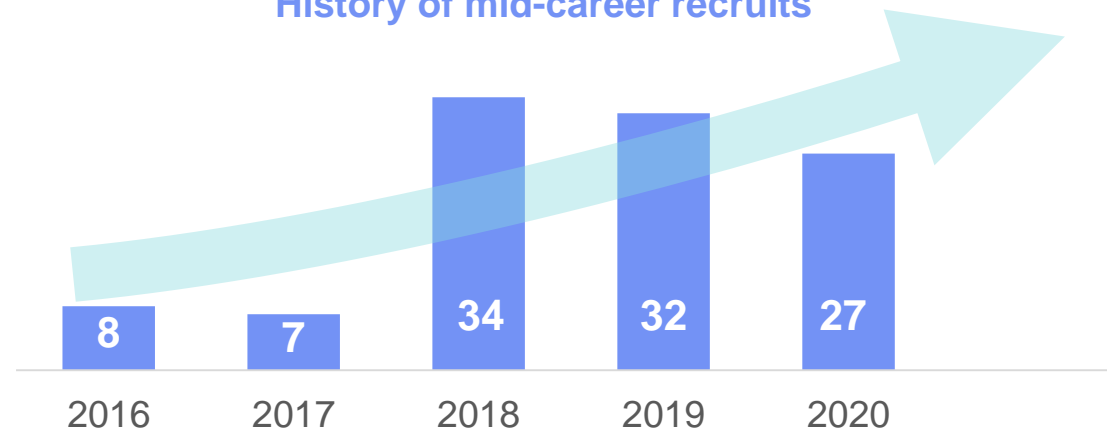
- Extensive childcare leave and reduced working hours that go beyond legal requirements
- System for retirement and reemployment to match a spouse's work transfer
- Support system for expatriates who move abroad with only their children
- Remote working and super-flex systems
- Childcare consulting service
- Partnership with childcare facilities
- Promotion of childcare leave taken by men

Recruitment strategy

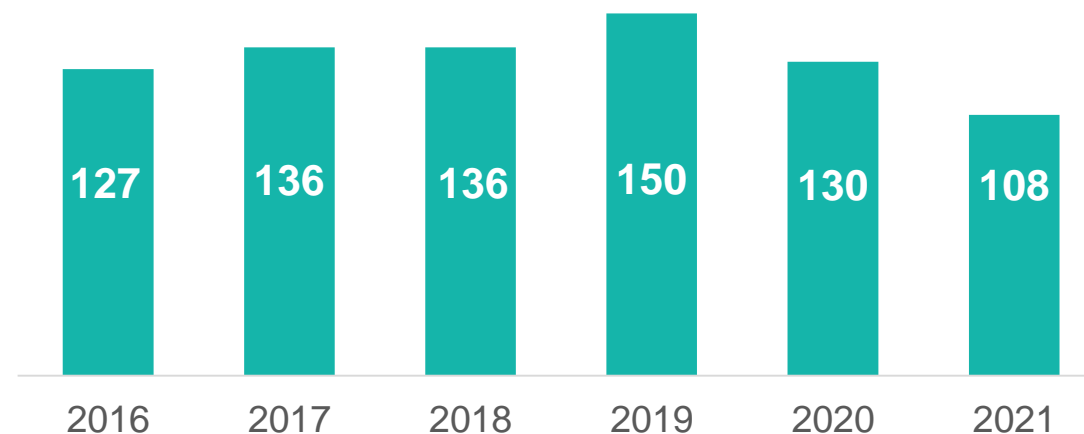
Improve our mid-career recruitment of highly specialized human resources, and build a vital and diverse human resources portfolio

- **Improve our mid-career recruitment efforts** with emphasis on expertise, and accelerate the concentration of top tier professionals in various business areas.
- In addition to hiring new graduates, we will also hire mid-career employees to secure and develop human resources who have high potential.

History of mid-career recruits



History of new graduate recruits

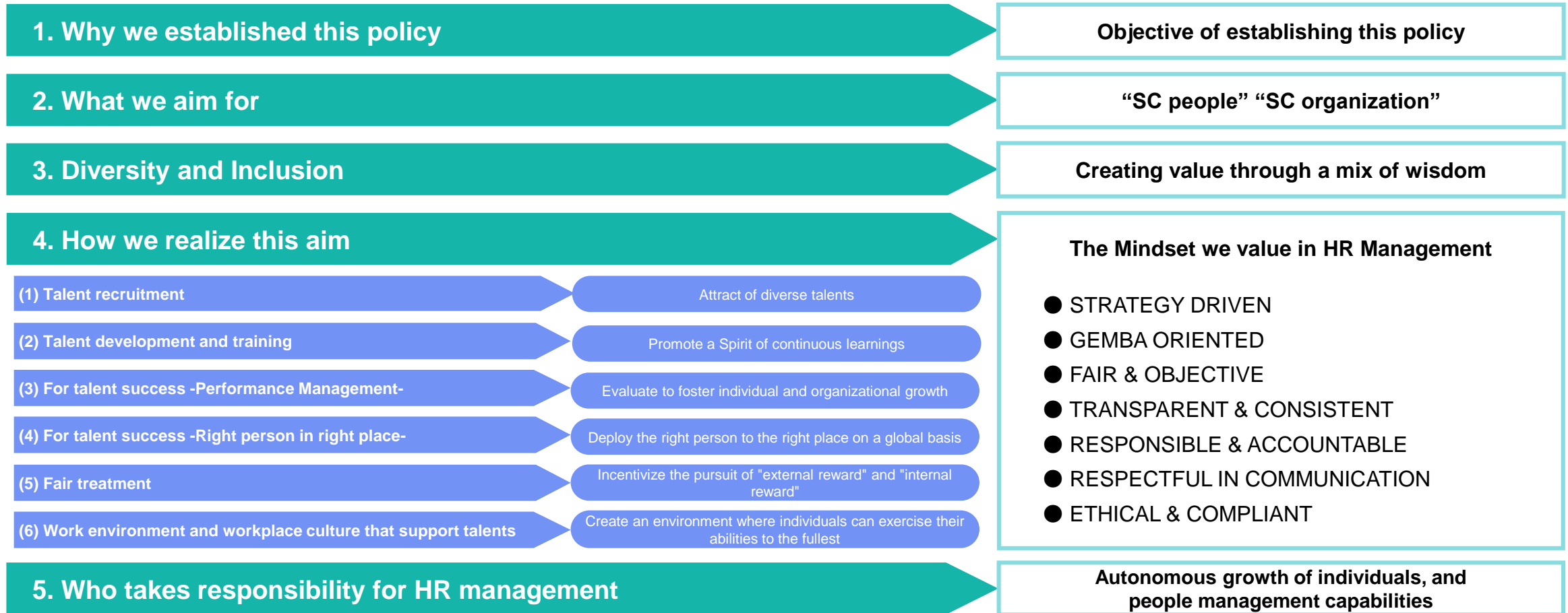


Supplement 1: Global HR Management Policy

Established in 2020 as a compass for HR measures that outlines our vision for human resources management on a global basis



■ Policy outline



Supplement 2: Platform for human resources management on a global basis

A platform for human resources management on a globally consolidated basis, such as succession planning which we have been engaged in over the years

Succession planning

- **Formulate successor development plans for key positions at the head office, overseas and group company offices, and establish a human resources development cycle based on medium- to long-term perspectives**

Global Mobility Policy

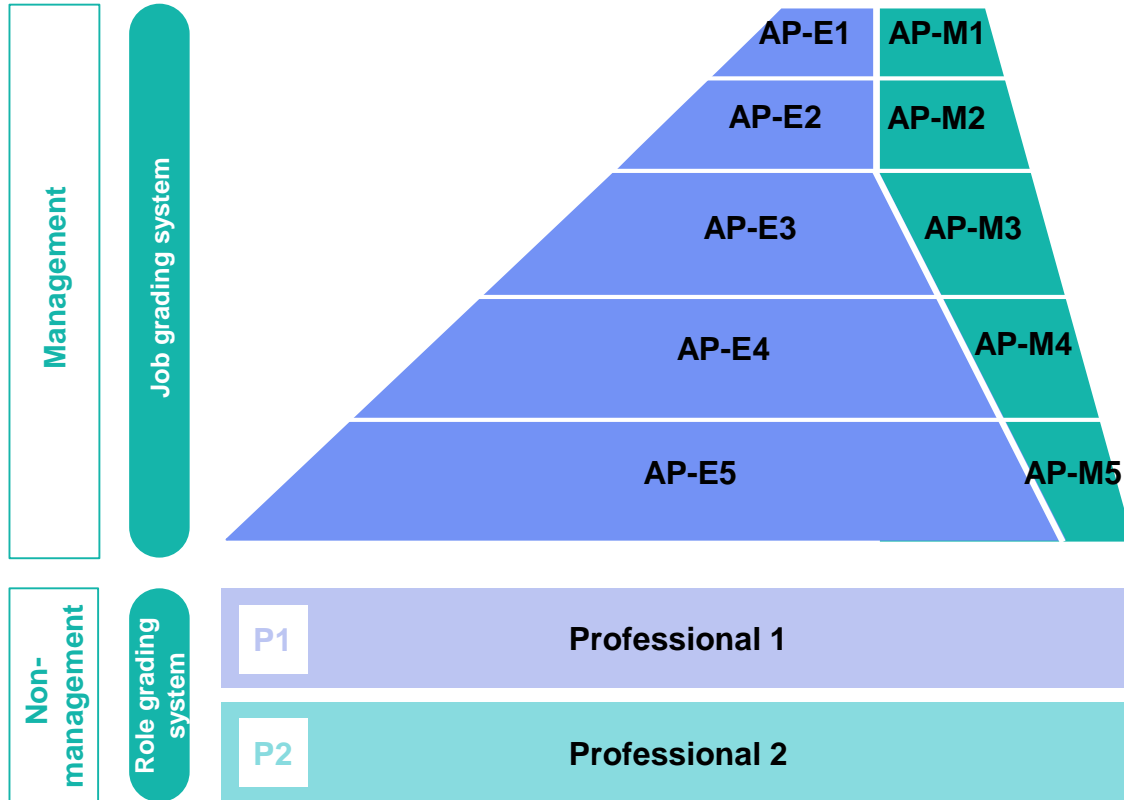
- **To support the development and success of overseas human resources across different organizations and regions, establish a common set of global rules regarding the treatment of personnel transferred overseas**

Develop a global human resources database

- **Launch initiatives for making human resources data visible across different organizations and regions within the group**

Supplement 3: Comparison of new and previous HR systems

New system



Previous system

