

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. 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 their environmental impact and improve environmental conditions through their business activities.

The 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.

The Group's integrated authentication enables unified environmental management of many different offices and organizations in line with the Sumitomo Corporation Group Environmental Policy. As of June 2015, approximately

18,300 employees in total from all domestic locations of Sumitomo Corporation and its 27 Group companies are participating in these environmental management activities under the Group's integrated authentication.



ISO 14001
JQA-EM0451

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

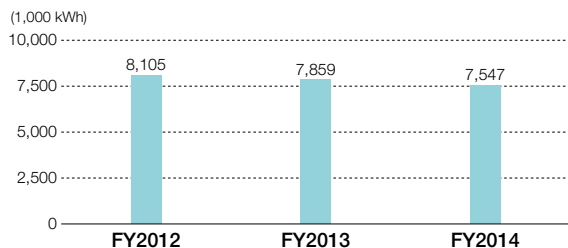
http://www.sumitomocorp.co.jp/english/csr/environment/manage/iso_management/

Environmental Performance Data

The Sumitomo Corporation Group considers the environment through its business activities, while making efforts to reduce the energy consumption and waste emissions in its offices.

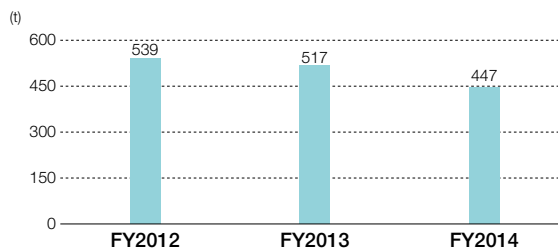
* Previous years' data for CO₂ emissions (in offices and in logistics) and water consumption have been revised in line with actual management status.
 * Data scope: Head office, regional offices, branches, and sub-branches in Japan (Three offices for water consumption, nine for other data)

Electricity Consumption



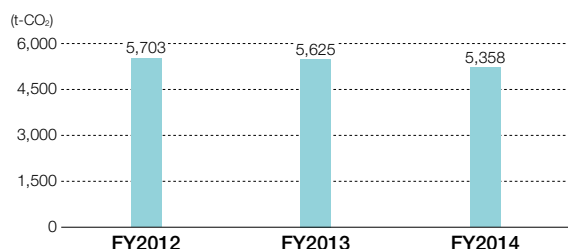
* Sumitomo Corporation has set a target of reducing electricity consumption by 1% annually.

General Waste Emissions



* Sumitomo Corporation has set a target of reducing general waste emissions by 1% annually.
 * Fiscal 2015 targets of Sumitomo Corporation are set at 443 tons for general waste emissions, and 35 tons for waste which would be sent to landfill.

CO₂ Emissions (in offices)

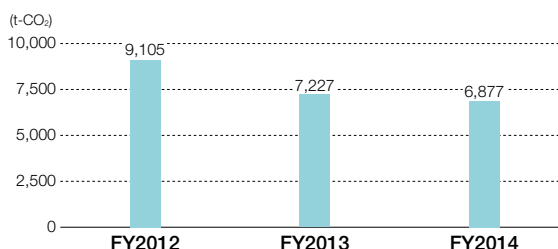


* For the breakdown of CO₂ emissions for FY2014, Scope 1 is 191 tons and Scope 2 is 5,167 tons.

* The above figures indicate total amounts of CO₂ emissions stemming from use of electricity, utility gas, and district heat (cooling/heating water), which are calculated using the following factors:

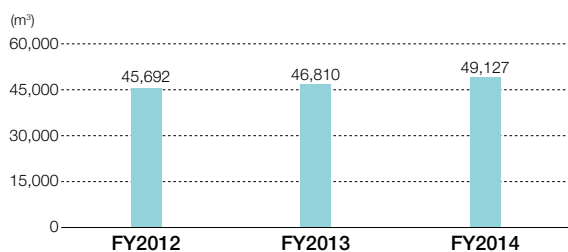
CO ₂ emission factors (in offices)	FY2012	FY2013	FY2014
Electricity (kg-CO ₂ /kWh)	0.571	0.570	0.570
Utility gas adjusted based on standard heat value (t-CO ₂ /thousand m ³)	2.234	2.234	2.234
Heat (in head office) (t-CO ₂ /GJ)	0.041	0.046	0.047
Heat (in other than head office) (t-CO ₂ /GJ)	0.057	0.057	0.057

CO₂ Emissions (in logistics)

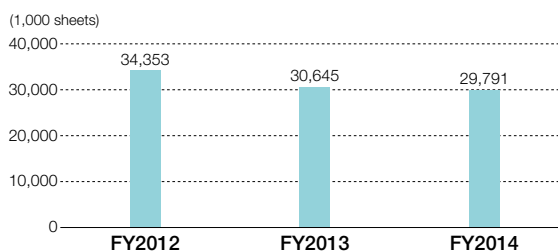


* CO₂ emissions in logistics are for cargoes within Japan where Sumitomo Corporation is the cargo owner according to the Act Concerning Rational Use of Energy.

Water Consumption



Paper Consumption



* Calculated from the purchase amount of office paper and the unit price of A4 size paper.

Please refer to the following website for detailed information on environmental performance data and third-party assurance.

http://www.sumitomocorp.co.jp/english/csr/environment/manage/load_data/

CSR through Business Activities

The Sumitomo Corporation Group has established an environmental policy of striving to achieve sustainable development, through sound business activities, aimed at symbiosis between social and economic progress and environmental preservation, under which it is promoting numerous environmental businesses.

Efforts to Achieve a Low-Carbon Society

Offshore Wind Farm Projects in Belgium

The European market for offshore wind farms continues to steadily expand, with production capacity expected to increase approximately 3.5 times by 2020. Against this backdrop, in 2014 Sumitomo Corporation entered into an agreement with Parkwind NV, a Belgian offshore wind farm company, and acquired shares in two offshore wind farm projects, Belwind 1 and Northwind. The two projects comprise of a total of 127 wind turbines, with a production capacity that can meet the needs of approximately 370,000 households. Furthermore, Sumitomo Corporation and Parkwind are working together on the development of the Nobelwind project, a new offshore wind farm adjacent to the Belwind wind farm.

Sumitomo Corporation has extensive experience in the operation of onshore wind farms and solar power generation plants

around the world including in Japan, the United States, and South Africa. Moreover, Sumitomo Corporation has been building and operating thermal power plants for many years, and has a global network to source components nurtured through its power generation operations, in addition to financing expertise. Going forward, we will continue to leverage these strengths and capabilities—traits only Sumitomo Corporation can offer—in contributing to the further proliferation of renewable energy.



Offshore wind farm projects in Belgium

Efforts to Achieve a Recycling-Oriented Society

Waste Recycling Activities at Summit, Inc.

In recent years, waste is becoming an increasingly severe problem. In light of this, Summit, Inc., a Group company of Sumitomo Corporation that operates a food supermarket chain, is actively engaged in various waste recycling initiatives.

As one of its initiatives, Summit has been recycling styrene foam since 1991. Styrene foam boxes disposed of by the stores, and food trays used by customers collected at the front of the stores, are used as raw materials to produce new food trays and plastic products. Furthermore, in 2013 Summit newly established a styrene foam-recycling center inside its distribution center, and the recycled styrene foam is incorporated in a wide range of applications, including as a derivative to produce insulation

materials. Moreover, in partnership with farming union cooperative Wagoen, Summit is engaged in a resource-circulation recycling system, whereby vegetable and fruit scraps are recycled to produce fertilizer, which is then used to cultivate vegetables that are sold at the stores. As a result of these efforts, Summit is currently recycling approximately 80% of the waste produced at its stores.



Recycling center inside Summit's distribution center

Contributions to Biodiversity Conservation

Environmental Conservation at the Ambatovy Nickel Project

Sumitomo Corporation is engaged in the Ambatovy Nickel Project in Madagascar, which is one of the world's largest nickel mine development projects. With approximately 1,000 rare animal species inhabiting the island, adequate consideration must be made for the natural environment when engaging in business operations. To this end, the project is being conducted in line with various international standards, such as the Performance Standards of the International Finance Corporation (IFC), and the standards set out by the World Health Organization (WHO), with thorough efforts made to maintain the island's biodiversity and implement various conservation programs. More specifically, a buffer zone has been designated to protect fauna migrating out of

the mine footprint, and a biodiversity offset program has been established based on the concept of "no net loss, and preferably a net gain" of biodiversity. Going forward, the project will continue to cooperate with the Business and Biodiversity Offsets Program (BBOP), an international partnership of governments, corporations, and biodiversity experts, in supporting environmental conservation efforts in Madagascar.



Diademed Sifaka, a rare animal

Please refer to the following website for further details about our initiatives.

<http://www.sumitomocorp.co.jp/english/csr/environment/>