

# Human Resource Management

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 terms.



## Human Resource Management Policy

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

Effective recruitment, development, and utilization and the active involvement of human resources who can lead global businesses are the most important issues for the Sumitomo Corporation Group to win out the current ever-changing business environment and achieve sustainable growth.

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, while encouraging the active involvement of diverse human resources.

Under the medium-term management plan “Be the Best, Be the One 2017,” to strengthen individual ability on a global basis, in April 2016 we introduced a new Human Resource System aiming to accelerate human resources development. 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

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|--|---|
| <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

Based on a fair employment policy that respects basic human rights, we employ diverse personnel who are able and eager to work in the global business arena.



A large recruitment seminar in which the president and CEO participated

### Development

Promoting global talent development through a combination of on-the-job and off-the-job training



Long-term training for selected employees to develop future executives

### Utilization

Enabling active involvement of diverse employees and motivating each employee



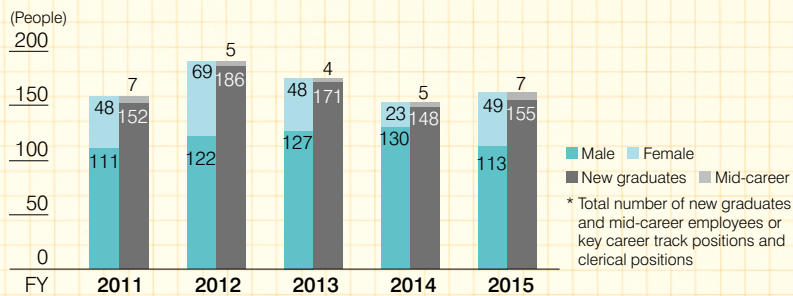
Triton Sucusuku Square in-house nursery

## Recruitment

### Recruiting Personnel Who Will Lead Global Development

As a global business, we seek talented personnel who are able and eager to work in the global business arena. To this end, we conduct fair recruitment activities with respect for fundamental human rights. 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.

As part of our human resource strategy, in addition to new graduates, we regularly recruit mid-career employees to secure capable personnel who can contribute to operations immediately.



Number of New Employees and Breakdown

### Promoting Employment of the Disabled Sumisho Well Support

In 2014, we established Sumisho Well Support Co., Ltd., as a special subsidiary company. Currently, 12 employees are engaged in a variety of jobs, including the production of business cards and data entry operations. Through this subsidiary, we promote the employment of the disabled. As of June 1, 2016, the employment rate of the disabled was 2.13%\* of our workforce, above the 2.0% statutory level.

\* Total for the Company on a nonconsolidated basis and Sumisho Well Support Co., Ltd.





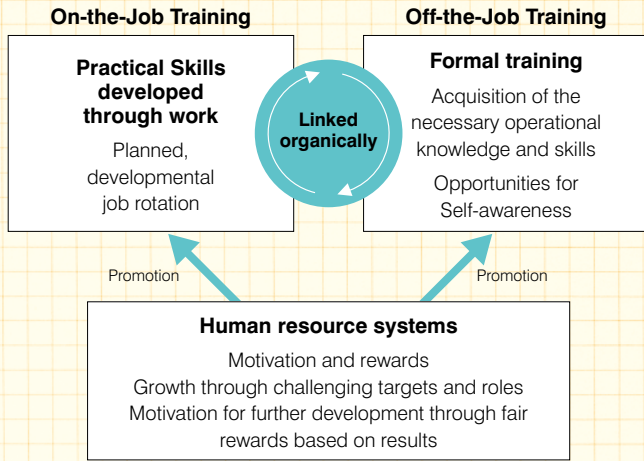
# Human Resource Management

## Development

### Reorganizing and Developing 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. The programs focus on three areas: 1) Management Principles, Activity Guidelines, and SC VALUES; 2) Leadership; and 3) Professional. In fiscal 2015, 12,351 trainees attended the programs from Sumitomo Corporation alone.

Through a variety of Human Resources Development (HRD) programs provided by SBC, we provide systematic leadership development as well as instruction in the common basic business knowledge and skills required to work in our business activities. Various other programs include advanced specific knowledge and skills necessary for investment, business management, and business creation and reform.



Development of the On-the-Job and Off-the-Job Training Program "Human Resources We Seek"

### Advancing Global Measures to Develop Human Resources

Aiming to recruit and develop personnel who can lead global business operations, the Sumitomo Corporation Group is focusing on promoting and developing locally hired employees in its overseas offices and Group companies.

As part of these efforts, we conduct training programs for locally hired employees at different career levels, such as managers, general managers, and senior executives. Through these training programs, nearly 300 participants each year come from all over the world to the Head Office in Tokyo. The programs establish a shared sense of the Sumitomo Corporation Group's corporate DNA and strengthen the sense of unity among employees as members of the Group by reaffirming participants' understanding of Sumitomo's business philosophy and the Group's Management Principles. In addition, participants share information on the Group's management policies and strategies and improve their skills by attending various lectures.

One program includes visiting the Besshi Copper Mine, the starting point of the Sumitomo Corporation Group. The main objective of this program is to give leaders of in-house organizations an opportunity to experience and assimilate Sumitomo's business philosophy, which is the basis of the Group's Management Principles, and to ensure that the business philosophy is passed on to younger employees.

We will continue reorganizing and developing the HRD programs that employees need to acquire new skills and knowledge, thereby enhancing the abilities of individuals and accelerating HRD even further.



Visit to the Besshi Copper Mine



Overview of Sumisho Business College (SBC)

In fiscal 2013, we reorganized our overseas offices into four broad regions. Under this system, we are promoting the development and utilization of local personnel by organizations in each region. Specific measures include the rotation of locally recruited personnel within each region and promoting personnel from overseas offices and Group companies to important positions. Furthermore, to promote global human resource development and utilization, the Head Office in Tokyo provides wide-ranging support to regional organizations in relation to such areas as recruitment and establishing training systems.



Global Measures to Develop Human Resources



## Utilization

### Encouraging Work-Life Management

Since establishing the Groupwide Work-Life Balance Promotion Project Team in April 2005, we have implemented an array of different measures. In December 2015, we renamed this initiative Work-Life Management to emphasize that employees should independently manage work practices on a day-to-day basis and over the medium-to-long term to establish a clear distinction between work and private life.

Given that everyone has a different lifestyle and set of values, methods of realizing Work-Life Management will differ for each employee. However, we believe that lifestyles comprising fulfilling professional and private lives will revitalize employees and drive the creation of new value and advance business development. Examples from our many different initiatives include the encouragement of employees to take paid vacations, the establishment of the SCG Counseling Center, and the holding of seminars aimed at reforming attitudes to work practices.

### Ensuring the Active Involvement of Diverse Personnel

The Sumitomo Corporation Group promotes respect for diversity so that employees with various talents can capitalize on their different backgrounds to create new value and achievements in their respective fields, thereby helping sustain the Group's growth.

As part of efforts to promote diversity, enabling female employees to become more actively involved in operations is one of our key management strategies. Based on this strategy, we are implementing a range of initiatives.

Aware of the support needed to balance family and professional commitments, the Sumitomo Corporation Group provides

extensive support systems that exceed legal requirements.

Furthermore, we have introduced programs to encourage female employees to play active roles in the Group following maternity and child-care leave. For example, in 2008, we established the Triton Sukesuku Square in-house nursery to provide childcare services for our employees; in 2014, we distributed a handbook to all employees that offers guidance on balancing a career and childcare; and in the same year, we introduced a program enabling female employees assigned overseas to take their children with them.

Also, in June 2015, the Sumitomo Corporation Group was granted Platinum "Kurumin" certification under an accreditation system that was established based on the revised Act on Advancement of Measures to Support Raising Next-Generation Children. We were one of the first five companies in Tokyo certified as providing superior childcare support.

Further, in May 2016, Sumitomo Corporation was certified as a second-highest-class "Eruboshi" company in recognition of its efforts to promote the active involvement of female employees on the basis of the Act on Promotion of Women's Participation and Advancement in the Workplace.



Platinum  
"Kurumin" Mark



"Eruboshi"



## COLUMN Going on an Overseas Assignment with a Child

### Q What were your initial thoughts when you were offered an overseas assignment?

For a long time, I had wanted to work overseas. However, because I have a child, I had given up on the idea. So, when I was offered an overseas assignment and told I could take my child with me, I was really surprised and moved.

### Q Did you find living overseas with your child tough?

Even in Japan, working and bringing up a child is stressful. However, because I was alone with my child, every day I thought, "If something happens to me, what will happen to my child?" This motivated me to take care and stay healthy and safe.

### Q Looking back, how did you find the assignment?

As an employee posted overseas, doing every part of work and child rearing perfectly is difficult, and I got frustrated sometimes. However, the posting let me experience a different world. If asked whether I enjoyed the overseas posting, my reply would definitely be "yes." Thanks to the greater diversity of the U.S. workforce, I met people with a variety of different outlooks. A major benefit of this experience is that it has made me more optimistic. Even when I have short-term concerns about something, I am now able to envision the long-term future.



Sari Kako  
Risk Management Dept. No. 3

Sari Kako has belonged to the Construction & Mining Systems Division since joining the Company, working as a manager at operating companies in North America, India, and Europe. In 2014, taking advantage of our program to help female employees assigned overseas take their children with them, she was assigned as a trainee to an operating company in Florida, the United States, and participated in the company's business management. She returned to her post at the end of 2015.