

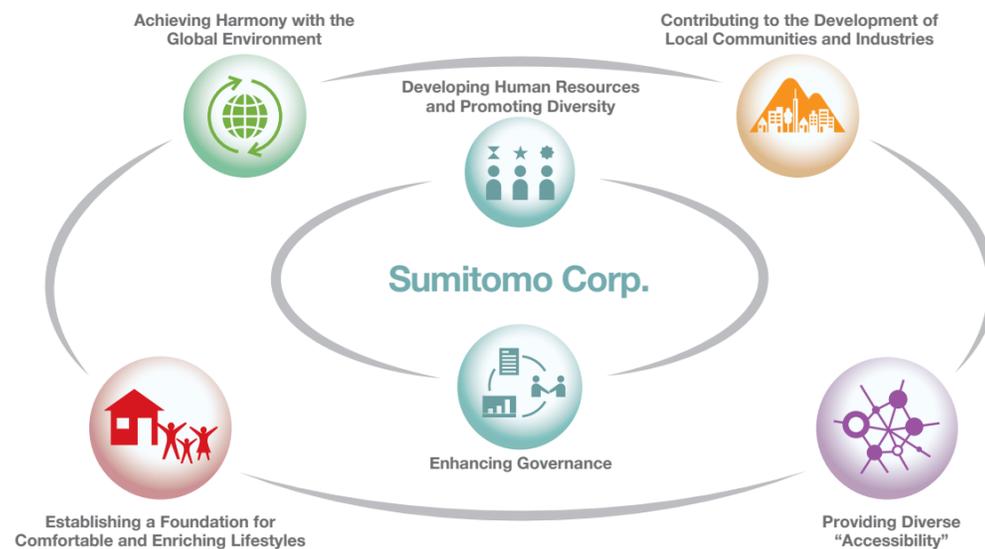
## Six Material Issues to Achieve Sustainable Growth with Society

### <Our basis for identifying material issues>

The basis for the Sumitomo Corporation Group's operations can be found in Sumitomo's Business Philosophy, which has formed the foundation for Sumitomo's sustainable development over the course of 400 years. One of the credos of this philosophy states: "Benefit for self and others, private and public interests are one and the same." We interpret this credo advocates Sumitomo's business activities must benefit not only Sumitomo, but also society around us to achieve sustainable growth together.

This credo has been incorporated into Sumitomo Corporation Group's Corporate Mission Statement. Guided by our Corporate Mission Statement, we have continued to conduct our business activities with the aim of being a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

It is important to reconsider how we should address social issues through our business activities. To achieve sustainable growth together with society into the future, we have identified material issues that we should address with priority by leveraging our strengths in line with Sumitomo's Business Philosophy and Sumitomo Corporation Group's Corporate Mission Statement.



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."



#### 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.



#### 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.



#### 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.



#### 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.

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.



#### 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.



#### 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.

## Current Initiatives



### Achieving Harmony with the Global Environment



#### Renewable Energy Business

We are actively operating wind and solar power generation and other renewable energy projects inside and outside of Japan to promote sustainable and reliable supplies of energy.



#### Wood Resource Business

In the general forest products business in the Russian Far East, we are promoting sustainable forest management by using "ribbon cutting" logging, which leaves the parent trees intact so that they can drop seeds which will germinate naturally.



#### Reused EV Battery Project

We contribute to wider access to renewable energy usage by utilizing used power storage systems collected from electric vehicles (EVs) to stabilize the power of renewable generation which fluctuates based on environmental conditions.



### Establishing a Foundation for Comfortable and Enriching Lifestyles



#### Cable TV Business

We operate the largest Cable TV business in Japan, providing over 90 TV channels, Internet and other services to 5.28 million households, thereby enriching people's daily lives.



#### Car and Motorcycle Retail Financing Business

Conducting our financing business, mainly in emerging countries, and targeting income groups previously without access to funds to purchase cars and motorcycles, we have greatly improved people's quality of life.



#### Crop Protection and Fertilizer Business

We leverage our sales network to offer crop protection products, fertilizers, and other agricultural materials together with our knowledge and information on the proper usage of products. Through these efforts, we contribute to a stable food supply and eco-friendly agricultural production.



### Developing Human Resources and Promoting Diversity



#### Developing Human Resources and Promoting Diversity

We are undertaking various measures for developing ambitious human resources capable of competing on the global stage and for promoting diversity. Such measures include the Besshi Copper Mines hiking training session to experience and assimilate Sumitomo's Business Philosophy, training for locally hired employees and initiatives for encouraging more active involvement of female employees in business.



### Contributing to the Development of Local Communities and Industries



#### Business Contributing to a Stable Energy Supply

In the tubular products business, we supply superior quality tubular products and related materials leveraging high technological skills to users around the world, thus contributing to the stable supply of energy and support the industrial foundation.



#### Industrial Park Business

While supporting the manufacturing operations of Japanese companies in Asia, we contribute to industrial and economic development in the region by creating jobs, cultivating human resources and building related infrastructure.



#### Resource Development Business

While securing stable supplies of resources, we assist the development of local industries through cultivating human resources and installing industrial and living infrastructure, thus contributing to environmental preservation and sustainable development.



### Providing Diverse "Accessibility"



#### Aircraft Leasing Business

We support safe and proper aircraft management through our aircraft leasing business in the aviation industry, which sustains the transport of people and goods, and draws countries all over the world closer together.



#### Mobile Telecommunication Service Provider Business

Our telecom service in Myanmar delivers service at Japanese quality standards, contributing to the rapid spread of the mobile phones in the country. Through this business, we are creating telecom networks offering various ways of access.



#### Business Supporting Transportation Network Development

Utilizing specialized vessels for transporting long rails, we enabled the transport of 150-meter-long steel rails, which previously needed to be divided into six segments for transportation. As a result, we are helping expedite the development of railroad networks and reduce maintenance work.



### Enhancing Governance

#### Enhancing Corporate Governance

We are constantly enhancing our corporate governance by "promoting managerial reforms" as stipulated in the medium-term management plan and advancing ongoing initiatives for reinforcing the monitoring function and improving the effectiveness of the Board of Directors.

## Identification Process

We set up an internal, cross-organizational taskforce and identified Six Material Issues to Achieve Sustainable Growth with Society, based on Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement.

### Investigation

- While referring to the SDGs<sup>1</sup> adopted by the United Nations (UN) in 2015 and the international guidelines such as the IIRC's International Integrated Reporting Framework<sup>2</sup>, we exchanged opinions with institutional investors and experts. We then formulated the methodology for identifying material issues needing to be addressed in order for us to achieve sustainable growth with society.



### Classification of Our Business and Social Issues and Selection of Material Issues

- Based on the SDGs which considered to comprehensively cover numerous social issues, each business unit compiled a list of the social issues they are currently addressing through their business and those they hope to address in the future.
- Referencing these lists and considering Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement, we contemplated our current strengths and the roles we should assume in the future. We then selected social issues that we regard as important and that need to be addressed with high priority as well as our challenges to be overcome in creating solutions.

### Exchanges of Opinion with Internal and External Stakeholders

- We exchanged opinions with outside experts such as international organizations and institutional investors, and conducted surveys covering all officers and employees to collect their opinions, so as to clarify the interests and expectations of internal and external stakeholders with regard to our corporate activities, which were incorporated into discussions of how best to classify and describe the issues that had been identified.

### Identification

- The selected issues and their importance were reviewed by the CSR Committee. With deliberation and approval by the Management Council and the Board of Directors, the Six Material Issues to Achieve Sustainable Growth with Society were finalized.

<sup>1</sup> An abbreviation of Sustainable Development Goals. Comprising 17 goals encompassing global challenges to be achieved by 2030. These goals were embraced by all 193 UN member states at a UN General Assembly held in 2015.

<sup>2</sup> A framework published by the International Integrated Reporting Council (IIRC) aimed at the evolution of corporate reporting. The framework is designed to help companies to provide information (financial and non-financial) that is important to explaining their ability to create value over the long term in a clear, simple, and comparable manner.

## Future Initiatives

We have defined the Six Material Issues to Achieve Sustainable Growth with Society as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth by resolving these issues through our business activities.

At the same time, we will advance the dialogue with our stakeholders to maintain an in-depth understanding of society's expectations for us and of our strengths. We will revise the material issues flexibly in response to changes in society.

### <Where Material Issues Fit In>



## Principles and Policies Supporting Corporate Activities

We have established our own principles and policies while respecting international conduct standards. In accordance with these principles, policies and standards, we are addressing the Six Material Issues to Achieve Sustainable Growth with Society.

### Environment

- Environmental Policy
- ISO 14001 Management System Certification

### Society

- Human Resource Management Policy
- Work-Life Management Policy and Action Policies
- CSR Action Guidelines for Supply Chain Management
- Support for the UN Global Compact's 10 Principles
- Basic Principles on Social Contribution Activities

### Governance

- Corporate Governance Principles
- Compliance Guiding Principles
- Risk Management Basic Policy
- Corporate Disclosure Policy
- Privacy Policy
- Anti-Corruption Policy