

## Sumitomo Corporation

### Slavery and Human Trafficking Statement for the Fiscal Year 2021

Sumitomo Corporation (SC) is committed to improving its practices to combat modern slavery and human trafficking. This statement has been published in accordance with [the UK Modern Slavery Act 2015](#) and constitutes SC's modern slavery and human trafficking statement for the fiscal year 2021 ended March 31, 2022. This statement was approved by the board of directors of SC on August 30, 2022.

#### Background and organisational structure

SC is an integrated corporate committed to business activities in a wide range of industries with over 130 offices and subsidiaries in over 60 countries and a network of over 850 group companies worldwide. With its global network and based on trust from companies in various industries and from consumers, SC engages in multifaceted business activities by making the most of its integrated corporate strength. These business activities include sales of a variety of products and services within Japan, import and export, trilateral trade, and domestic and international business investments. SC employs over 5,000 people.

For more information on SC's business overview, please visit the following link:

<https://www.sumitomocorp.com/en/jp/about>

#### Steps taken to ensure that modern slavery and human trafficking are not taking place in SC's business and supply chains

At the core of SC lies [Sumitomo's Business Philosophy](#), which has been passed down and followed faithfully for more than 400 years since Masatomo Sumitomo (1585-1652) had founded. [SC Group's Corporate Mission Statement \(Management Principles and Activity Guidelines\)](#) is based on this philosophy and represents our fundamental and ultimate value standard. In the Corporate Mission Statement, it clearly states that we respects the personality of each individual and places prime importance on integrity and sound management.

To enhance our sustainability management, we have identified our [Six Key Social Issues and the Long-term Goals](#) in fiscal 2020. The six key social issues are related to our business that we address through our business and corporate activities and consist of two themes: the sustainability of society and development and evolution of society. One of the six key social issues is "respect for human rights," and its long-term goal is "respect human rights through all of our businesses and supply chains." In the interest of accountability, our progress will be monitored and disclosed to its stakeholders.

We take its commitment to tackling modern slavery and human trafficking very seriously. The followings are the steps which SC has taken to help ensure that modern slavery and human trafficking are not taking place in SC's business or supply chains:

### [SC Group's Human Rights Policy](#)

We respect [the International Bill of Human Rights](#) and [the International Labor Organization \(ILO\)'s Declaration on Fundamental Principles and Rights at Work](#), and we operate in accordance with [the United Nations \(UN\) Guiding Principles on Business and Human Rights](#).

In line with [SC Group's Human Rights Policy](#), i) we strive to identify and to prevent or mitigate any adverse impact on human rights through the implementation of human rights due diligence processes, ii) where we identify that our group's practices have caused or contributed to an adverse impact on human rights, we will endeavor to take appropriate remedial measures, iii) we will seek to improve and progress human rights measures through engagement and dialogue with relevant stakeholders, and so on.

In fiscal 2021, we have also established [the Medium-term Goals for each Key Social issue](#) by indicating specific action plans. With regards to "respect for human rights," one of our medium-term goals is "promote and ensure respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights and SC Group's Human Rights Policy." In order to meet this goal, we have been strengthening risk analysis in human rights due diligence in all businesses, including the supply chain, leading to implementation of risk mitigation measures by 2025.

### *Human Rights Due Diligence*

In accordance with [SC Group's Human Rights Policy](#), we began human rights due diligence in fiscal 2020 so that we can identify, prevent, mitigate and account for how we address any adverse human rights impact that SC Group's business activities may cause or contribute to.

Our human rights due diligence is conducted through a process in accordance with international guidelines including [the UN Guiding Principles on Business and Human Rights](#), [the UN Guiding Principles Reporting Framework](#), and [OECD Due Diligence Guidance for Responsible Business Conduct](#). As a first step in fiscal 2020, we identified eight salient human rights issues that should be addressed with priority so that we can assess impacts concerning human rights throughout SC Group, by the desktop survey, interviews of experts on business and human rights and internal interviews.

Identified eight salient human rights issues are as follows;

Labor conditions (wages and working hours), Freedom of association and the right to collective bargaining, Forced labor and child labor, Occupational health and safety, Health and safety of local residents, Land rights, Discrimination and harassment, and Personal information and privacy.

We believe that the human rights of workers throughout the supply chain including SC Group's employees are essential as the foundations of business. In addition to the freedom of association and collective bargaining rights, forced labor and child labor, and discrimination and harassment, which are related to [the four core labor standards of the](#)

[ILO](#), we also take action to address labor conditions and occupational health and safety. SC engages in business with strong ties in local communities centered on the infrastructure business and resource development, and we have a responsibility to protect the health and safety of local residents and land rights. Moreover, since SC engages in wide-ranging business, we have positioned the personal information and privacy of stakeholders including customers as priority issues.

For each of these issues, we will investigate and carry out action plans to prevent and mitigate specific risks with priority on areas of high risk in SC Group's business.

We have started conducting human rights due diligence by business unit with our aim to strengthen risk analysis and implement risk mitigation measures for all businesses by 2025. In fiscal 2021 as the first year, we have conducted human rights due diligence on Media & Digital Business Unit and Living Related & Real Estate Business Unit. Based on the findings of the due diligence, we were able to enhance our risk assessments, promote the creation of action plans to prevent or mitigate the risks and prepare for monitoring of the risks and the actions by the two business units.

#### [The SC Group CSR Action Guidelines for Supply Chain Management](#)

We have established [the SC Group CSR Action Guidelines for Supply Chain Management](#). Through the implementation of these guidelines, we are aiming to realize a sustainable society by working together with our suppliers, business partners and contractors, etc. to achieve responsible value chain management. As part of these guidelines, we set out its values to "Respect for human rights and not to be complicit in human rights abuses" and to "Prevent forced labor, child labor and the payment of unfairly low wages." These principles establish the overarching guidelines encompassing our commitment to combating modern slavery and human trafficking.

In the event that we find violations of these guidelines in our supply chains, we will urge the suppliers, business partners or contractors, etc. to remedy and improve the situation, while providing support to them as needed. However, if there are no improvements to the situation by them, we will consider carefully whether to continue our business with them or not.

In fiscal 2021, we also established [the SC Group Forest Management Policy](#) and [the SC Group Sourcing Policy for Forest Products](#) as specific policies for natural resource-related commodities requiring sustainable procurement. The policies include our commitment to respect human rights by operating forest related businesses in accordance with [SC Group's Human Rights Policy](#) as well as [the UN Guiding Principles on Business and Human Rights](#).

#### [Group Governance](#)

The management policy of SC Group is to respect "Jiritsu"\* management by each group company, and to be involved in important decision-making at the board of directors or organization equivalent to the board of directors of each group company based on the relationship of trust established through active "Dialogue" as a shareholder, and to create new value through strong "Collaboration" of each group company including SC.

With the aim of strengthening SC Group's governance under [the Medium-Term Management Plan "SHIFT 2023,"](#) in order to maximize our group's corporate value through sharing and putting into practice the principles of SC Group management, we

have established a Group Management Policy (GMP) that sets the three principles of SC Group management: "Jiritsu", "Dialogue", and "Collaboration".

SC supports the establishment and operation of an optimal management system to control risks appropriately and increase the odds of achieving its business strategies for Jiritsu management of each group company. Specifically, we have introduced a governance framework that uses SC Group standard tool called Basic Elements to visualize the internal control status of each group company and solve issues identified through "dialogue" with SC.

The Basic Elements include "Respect for Human Rights", "Labor Management, Health, Safety and the Environment", and "Supplier Management", and if there are issues, we formulate a response policy according to its business nature and regional conditions. Through regular monitoring, we will continue working to prevent modern slavery and human trafficking in SC Group's business or supply chains through further enhancing governance considering its business nature and regional conditions.

\*"Jiritsu" is the Japanese term. In GMP, we define it to mean "following the rules necessary for the management of each group company, such as SC Group's management principles, strategies, and policies, to discipline oneself, to think, make decisions, act for oneself in order to achieve goals, and to be accountable to stakeholders".

#### *Social and Environmental Risk Management in Individual Project*

In order to promote social and environmental risk management for each business, taking into account the nature of the business and the characteristics of the region where it operates, we established a management system that considers social and environmental impacts when making decision on a new investment, by utilizing an assessment sheet for social and environmental risks, and by having the Corporate Sustainability Department, a specialized organization for social and environmental issues, participate in the process of deliberations.

After the implementation of each investment, we monitor the status of social and environmental risk management and if any issues arise, we will work for improvements according to the characteristics of the business.

#### [Active commitment to the UN Global Compact](#)

We signed [the UN Global Compact](#) and declared its support for the 10 principles in March 2009. This international sustainability related initiative shares the same values as our Corporate Mission Statement. With our participation in the Global Compact, we have committed ourselves to further increasing 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. The UN Global Compact has been referred also through the internal auditing process of SC Group.

SC actively participates as a board member company of the Global Compact Network Japan, a local network of the UN Global Compact.

#### [Training](#)

In order to raise our awareness especially about modern slavery, we have utilized an American NGO Verite's free e-Learning of Supply Chain Accountability on forced labor

and human trafficking as a useful training material, which is one of the referred tools on ['Transparency in supply chains: a practical guide' published by UK Home Office](#).

And also, we created our own e-Learning related to business and human rights, and 5,234 people including group employees mainly with SC executives and employees, completed the training. In fiscal 2020, we added the same e-Learning to the Global e-SBC training menu for overseas staffs and promoted learning.

In fiscal 2021, SC conducted training for 107 new employees, 107 new chiefs, 98 new managers, 65 new team leaders, and 23 new general managers on our sustainability promotion, including respect for human rights.

Since SC conducts a wide range of business in multiple sectors, the associated risks vary, however the eradication of any instances of modern slavery and human trafficking remains a key priority.

We will continue to undertake these efforts aimed at ensuring that no modern slavery or human trafficking of any form exists in our business and supply chains.

September 6, 2022

Signed by:

Hirokazu Higashino  
Representative Director,  
Managing Executive Officer,  
Chief Strategy Officer and Chief Information Officer  
Sumitomo Corporation