Sumitomo Corporation | Enriching lives and the world

Sustainability Report 2025

Contents

This report primarily covers the fiscal year ending March 31, 2025 (April 1, 2024, to March 31, 2025).

Message from our management

Through governance, disclosure, and dialogue, we will steadily advance our sustainability management strategy.

Enhancing corporate value through sustainability Management

By earnestly addressing our Material Issues and leveraging our strengths to realize them through our businesses, we can achieve our vision of becoming “No. 1 in Each Field.”
Through these efforts, we promote “sustainability management” based on the belief that continuously creating value that society truly needs is the key to realizing both a sustainable society and sustainable growth for the Company.
For each Material Issue, we set medium- and long-term goals. We then set priority Material Issues for each business based on its unique characteristics, risks, and opportunities, thereby driving initiatives in a self-directed manner. On climate change, for example, we focus on expanding renewable energy investments and reducing Scope 3 emissions. As for natural capital, we are working to reduce our impact on nature and developing businesses that help reduce negative environmental impacts.
In this rapidly changing environment, advancing sustainability management requires ongoing dialogue and collaboration with external stakeholders. Through our discussion with the Sustainability Advisory Board, which includes external experts, we are steadily advancing our sustainability management strategy. This includes adding natural capital to our Material Issues and strengthening the effectiveness of our human rights due diligence.

Challenge of addressing social issues across the entire supply chain

The Group operates in a wide range of business sectors and is active across all areas of the supply chain. Accordingly, advancing sustainability management across our complex supply chains involves numerous challenges.
To promote these initiatives efficiently and effectively, we adopt a risk-based approach that prioritizes businesses that need to be addressed first. On climate, we have already addressed priority businesses such as thermal power generation and fossil fuel interests. In FY2024, we also identified priority businesses for action on human rights and natural capital. Going forward, we will verify the risk-response status of the upstream supply chains of businesses handling high-risk commodities. We will also strengthen measures to address human rights and environmental impacts on surrounding communities from mining and other development projects.
Because efforts related to climate, human rights, and nature can sometimes be a trade-off, we need to adopt a holistic approach. For example, developing renewable energy to address climate change must not come at the cost of diminishing precious natural environments. We believe that addressing social issues in a holistic manner will also strengthen our supply chain and help enhance corporate value.

Strengthening disclosure and governance

In disclosing sustainability-related information, our goals are to identify financially significant sustainability-related risks and opportunities, establish a governance system to manage them appropriately, and disclose information that is useful to our stakeholders. We are continuously strengthening these initiatives as a starting point for constructive dialogue with stakeholders and working to improve the quality and usefulness of our disclosures.
I believe that expanding such disclosures will enhance the quality of management decisions and foster the sustainable growth of corporate value. We will continue working methodically to build an effective disclosure framework.
Going forward, the Sumitomo Corporation Group will continue entrenching sustainability management to create value and achieve growth by addressing social issues, even in this era of constant change. We appreciate your continued support.

Makiko Eda
Managing Executive Officer,
Chief Sustainability, DE&I Officer
Deputy Group CEO, Media & Digital Group,
CSDO

Sustainability Management

Our Approach to Sustainability

“Enriching lives and the world” is the corporate message of the Group. We are developing our business around the world with the aim of realizing a sustainable society and enriching people’s lives. The background to this message is a phrase that conveys the Group’s business philosophy: “Benefit for self and others, private and public interests are one and the same.” It means that Sumitomo’s business, while benefiting Sumitomo, must also benefit the nation and benefit society. This philosophy is the source of the Group’s sustainability management, and under this philosophy, we strategically allocate management resources in anticipation of the long-term shifting business landscape impacted by these social issues, and we leverage our strengths to continue creating the value that society truly needs. We promote sustainability management in the belief that each of these actions will create a sustainable society and achieve sustainable growth for Sumitomo Corporation.

History of Sumitomo Corporation Group

Sumitomo Corporation Group has grown into an integrated trading company over the past 100 years since it was originally founded as the Osaka North Harbor Company Limited in 1919. The history of Sumitomo, which formed the basis of Sumitomo's Business Philosophy, can be traced back to some 430 years ago when its business focused on copper refining which later advanced to copper mining.
All employees of Sumitomo Corporation learn the history of the Besshi Copper Mines. Through its modern business management, the Besshi Copper Mines contributed in leading industrial development in Japan, however, there were negative impacts on local communities including deforestation of nearby forests and damage to agricultural crops from sulfur dioxide emitted by smelters. Management at that time took measures including reforestation of the Besshi Copper Mines and relocation of the smelting plant to an uninhabited island off the coast.
“Benefit for self and others, private and public interests are one and the same”, which is one of the credos of Sumitomo’s Business Philosophy, and the actions taken by our predecessors to prioritize the sustainability of natural environment and the local community over short-term profit, are deeply rooted in heart of every employee at Sumitomo Corporation. We are confident that our business serves the public interest.

Sumitomo's Business Philosophy

Today, we have 80,000 employees working at almost 500 group companies in 64 countries and regions and we do our business by engaging with multiple stakeholders including customers, local communities, business partners and employees. Our business as well as our relationship with the stakeholders have expanded to a global scale and we believe that our mission is to protect the planet and pursuing development for the world and better lives for our stakeholders.

Corporate Mission Statement

Material Issues

Today, we face many social challenges that threaten the sustainability of society including climate change, loss of biodiversity, and human rights issues. Global goals and guidelines are adopted such as the Paris Agreement, the UN's Social Development Goals (SDGs), and the Business and Human Rights Guiding Principles, and various players including corporations are making efforts to achieve these goals.

Based on Sumitomo's Business Philosophy and Sumitomo Corporation Group's Corporate Mission Statement, for achieving both sustainable growth of our Group and resolving of social challenges, our Group have been conducted business activity with the six Material Issues set in 2017 and the six Key Social Issues and long- and medium-term goals for each of the Key Social Issues set in 2020.

In 2024, considering the further aggravation of social challenges such as climate change and the loss of biodiversity, the Group's strengths, and expectations from stakeholders, the Material Issues and Key Social Issues were merged and updated.

Material Issues are a medium- to long- term commitment that goes one step further toward addressing key social challenges that the Group must undertake. The Group will achieve sustainable growth through addressing the social challenges.

Sumitomo Corporation Group's Material Issues

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 collaborating with business partners and other stakeholders to achieve further growth.

Environment

- Environmental Policy
- Policies on Climate Change Issues
- ISO 14001 Management System Certification

Society

- CSR Action Guidelines for Supply Chain Management

Supply chain management policies for specific commodities

  - Forest Management Policy
  - Sourcing Policy for Forest Products

- Sumitomo Corporation Group's Human Rights Policy
- Global HR Management Policy
- Support for the UN Global Compact's 10 Principles
- Basic Principles on Social Contribution Activities

Governance

- Corporate Governance Principles
- Sumitomo Corporation Group Compliance Policy
- Risk Management Basic Policy
- Privacy Policy
- Sumitomo Corporation Group Tax Principles
- Corporate Disclosure Policy
- Information Security Policy
- Sumitomo Corporation Group Anti-Corruption Policy

Governance of Sustainability Management

Governance of Sustainability Management

Function of the Board of Directors

The board of directors renders decisions concerning key management matters in light of the diverse opportunities and risks related to sustainability in the Group's wide range of business activities. Additionally, the board of directors oversees the decision-making and operation of the business by the management council and executive officers.

For decision-making on important management matters, the Board of Directors deliberates and determines on the formulation and revision of sustainability-related policies and targets, risks and opportunities in the overall business portfolio including sustainability - related, important initiatives related to the promotion of sustainability, and the handling of important issues related to policies on response to sustainability issues, which are submitted to the Board of Directors after review by the Management Council and its advisory bodies, including the Company Investment Committee, Corporate Sustainability Committee and Corporate Strategy Promotion Committee.

Furthermore, the Board of Directors receives regular reports on the strategy and progress of each business area, as well as on the status of risks and opportunities in the overall business portfolio including sustainability-related. Specifically, the Board of Directors receives reports on company-wide measures and themes several times a year, including a review of the progress of medium- and long-term goals based on materiality, a review of compliance with sustainability-related policies and sustainability-related risk and opportunities and supervises the status of initiatives by the business execution side as the Board of Directors.

In addition, the Board of Directors has identified the types of knowledge, experience, and competencies, etc. (hereinafter "Skills") which enables the Board of Directors to adequately fulfill its roles of making decisions on important business matters and supervising business execution. Sustainability is one of the Skills. The Skills of individual Directors are determined after considering all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and specific achievements, and discussing these with individuals concerned. For details, please refer "The knowledge, experience and competencies, etc. (Skills) that the Board of Directors is required to possess, and Skills that Directors or Audit & Supervisory Board Members currently in office possess".

Also, to ensure that the Company's officers, including directors, are more aware of our commitment to the advancement of sustainability management, evaluation based on the non-financial indicators ("climate change", "promotion of women's active engagement" and "employee engagement") is used to calculate the amount of the remuneration of officers. For details, please refer to "Executive Remuneration Plan".

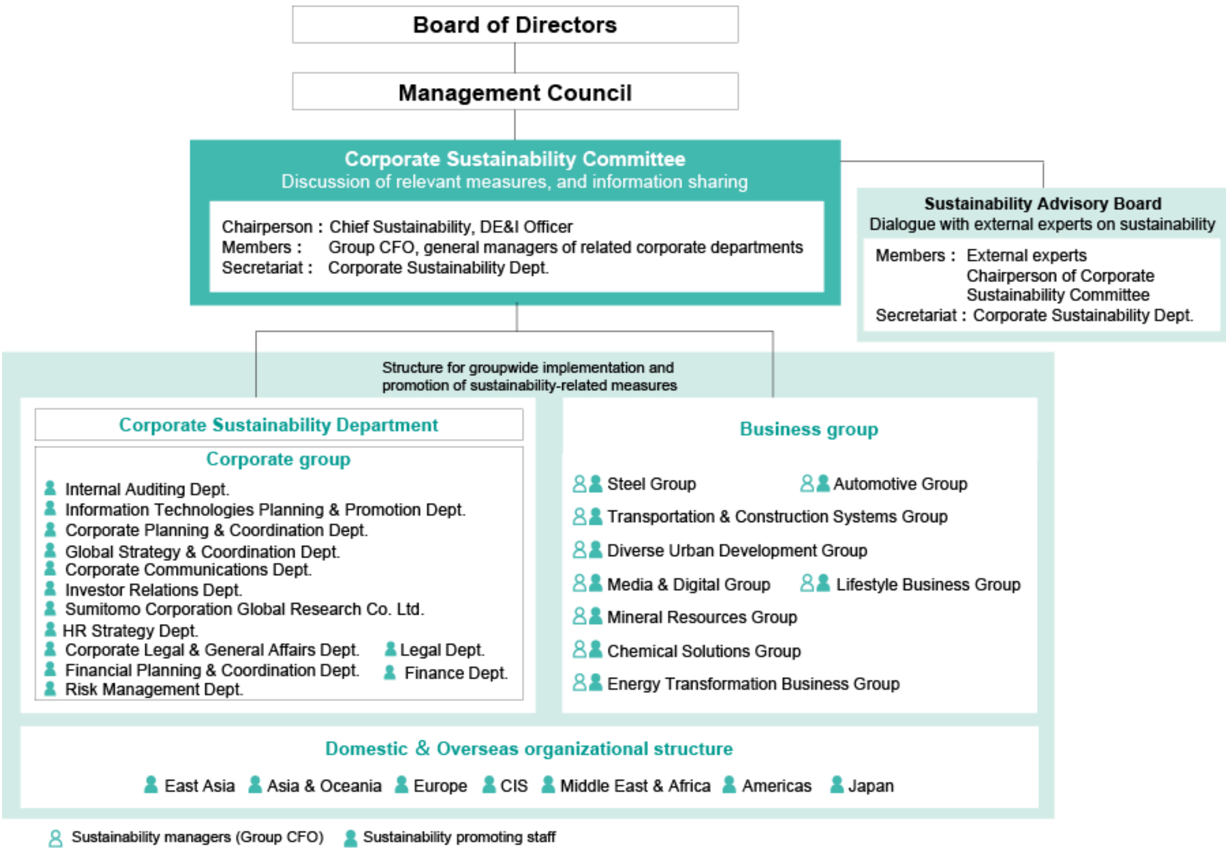
Function of the Management Council and Executive Management

Management Council and executive management are responsible for decision-making and business execution of important sustainability-related management matters of the Group according to the company regulations. The Management Council makes comprehensive decisions after consulting with the Corporate Sustainability Committee and other committees in order to assess and manage sustainability-related risks and opportunities and make effective decisions.

In addition, with regard to sustainability-related initiatives and responding to risks and opportunities, the Corporate Sustainability Department, which is a specialized organization in charge of planning and disseminating measures to promote sustainability within the Company, and related corporate organizations such as the Corporate Planning & Coordination Department, which plans the Company's overall management plan and important measures, as well as the person in charge of sustainability promotion in each business group, and overseas regional organizations work together. Based on information provided by the Company's internal research organizations, the Business Groups, overseas regional organizations, etc., we formulate and promote company-wide plans and measures.

In addition, we have established the Sustainability Advisory Board, which is comprised of outside experts on ESG, to obtain advice and recommendations on our overall sustainability management.

The corporate governance structure for our sustainability management is as follows.



Corporate Sustainability Committee

Main topics discussed and reported in FY2024

- Progress of each SBU's initiatives based on material issues
- Emissions reporting and carbon neutrality targets
- Disclosure based on the TCFD recommendations
- Human rights initiatives
- Initiatives related to natural capital
- Status of social and environmental risk management
- Results of the ESG rating
- Environmental management activities
- Social contribution activities

Sustainability Advisory Board

Main Agenda discussed in FY2024

- Strengthen the sustainability promotion framework
- Promote climate change initiatives
- Policy on natural capital and nature-positive initiatives
- Strengthen human rights due diligence
- Reviewed sustainability initiatives in FY2024

In FY2024, we convened the Sustainability Advisory Board three times. On one of these occasions, members of the Corporate Sustainability Committee also participated, contributing to a constructive dialogue. The Advisory Board members provided valuable feedback and recommendations on various aspects of our sustainability management, including progress toward climate-related goals, our approach to natural capital, and the enhancement of human rights due diligence. These insights were accompanied by a positive assessment of our overall efforts.

For example, one of the key topics discussed was focused on our medium-term goal, “Accelerate initiatives toward a nature-positive world by 2030,” which is part of our Material Issues. The discussion highlighted the importance of promoting initiatives that both mitigate risks and create opportunities, recognizing natural capital as a vital source of value creation.

We have registered as a TNFD Early Adopter and disclosed information in line with the TNFD recommendations in September 2025. We will continue to engage in dialogue with the Advisory Board members and a wide range of stakeholders to further advance our sustainability initiatives.

External Advisors (As of FY2024)

Sadayosi Tobai, Chief Executive Officer, WWF Japan
Hidemi Tomita, Chief Executive Officer, Institute for Sustainability Management
Takashi Nawa, Professor, Kyoto University of Advanced Science and Visiting Professor, Hitotsubashi University Graduate School
Junko Watanabe, Attorney-at-Law, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)

Material Issues

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.

The Material Issues are a medium- to long-term commitment that goes one step further toward addressing key social challenges that the Group must undertake. The Group will achieve sustainable growth through addressing the social challenges.

Build resilient and prosperous society

We create a virtuous circle in which all people can enjoy physically and mentally enriched lives, and we can grow and develop together with local communities by stepping ahead in dealing with the needs of people in various countries and regions.

Overcome climate change

We work together with stakeholders to decarbonize society and promote the realization of a carbon-neutral and resilient society, while taking into consideration the characteristics of the respective industry and region.

Preserve and regenerate natural capital

To achieve a world living in harmony with nature, we avoid or minimize the impact on natural capital caused by our business activities and go beyond preservation to also pursue regeneration and effective use of natural capital through the building of a circular economy and other measures.

Respect human rights

Striving to respect the human rights of every stakeholder involved in our supply chain is the foundation of all corporate activities. We work to identify and to prevent or mitigate any adverse impact on human rights, as well as to ensure the safety and security of our stakeholders.

Develop talent and promote DE&I

We recognize Diversity, Equity & Inclusion (DE&I) as the core enabler for value creation, innovation and competitiveness. 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 capital.

Maintain and strengthen governance

We will develop an autonomous Group management system that responds to changes in the business environment with agility, and maintain and strengthen our efficient, sound, and transparent governance system.

Identification and Review Process

We identified the Material Issues based on Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement. In 2024, the Material Issues updated after approval by the Management Council and the Board of Directors, through discussions held with internal and external stakeholders over the course of approximately one year. The review was conducted from the perspective of value creation, with consideration also given to the further aggravation of social issues such as climate change and the loss of biodiversity, the Group's strengths, and expectations from stakeholders.

Investigation

While referring to the SDGs adopted by the United Nations (UN) in 2015 and the international guidelines such as the IIRC's International Integrated Reporting Framework,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 and identify

We exchanged opinions with outside experts such as international organizations and institutional investors, 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.
The selected issues and their importance were reviewed by the Corporate Sustainability Committee. With deliberation and approval by the Management Council and the Board of Directors, the Material Issues were identified.

Update

We periodically review our Material Issues, taking into account the Group's strengths, the expectations of our stakeholders, and the changes in the external environment.

Medium- and long-term goals and progress

Each Strategic Business Unit (SBU) defines specific goals and action plans for the medium- and long-term goals for each issue and implements initiatives to achieve them. The Corporate Sustainability Committee, an advisory body to the Management Council, monitors these initiatives and their progress, and reports to the Management Council and the Board of Directors. Please see the bottom of this page for the medium- and long-term goals for the Material Issues and the main examples of company-wide initiatives for each of them.

Material Issues and Medium- and Long-term Goals

Material issues	Long-term goals	Medium- term goals
Build resilient and prosperous society	• Contribute to the development of local communities and economies	• Develop safe, comfortable and resilient industrial and social infrastructure • Provide advanced services and functions that further enrich the lives of people
	• Develop human resources who will drive the future by providing quality education	• Develop human resources who will drive the future through business and social contribution activities ◦ Provide job training and educational opportunities in line with local needs, and expand the scope of beneficiaries ◦ Promote 100SEED program(*1) by having 5% or more of all employees participate annually

Material issues	Long-term goals	Medium- term goals
Overcome climate change	• Aim for carbon neutrality of the Sumitomo Corporation Group's businesses by 2050 • Contribute to the carbon neutrality of society	• Reduce the Group's CO_2 emissions 50% or more by 2035 (compared with 2019) ◦ Reduce CO_2 emissions of the power generation business by 40% or more by 2035 (of which reduce 60% or more for coal-fired power generation business) while expanding the renewable energy power generation business (expand the supply of renewable energy from 1.5 GW in 2019 to 5 GW or more by 2030) ◦ In fossil fuel upstream business, reduce indirect CO_2 emissions generated from thermal coal mines to zero by the end of the 2020s. For upstream gas development, only undertake those that contribute toward society's energy transition. ◦ Reduce CO_2 emissions in all other businesses (*3) • Build a sustainable energy system and carbon cycle with an overview of supply chains ◦ Improve energy and carbon efficiency, and expand businesses that encourage energy conservation ◦ Expand renewable energy and new power and energy services, encourage electrification and fuel conversion, and develop and implement hydrogen and other forms of carbon-free energy ◦ Promote capture, store and utilize CO_2 （forestry business, CCUS, blue carbon, etc.)
Preserve and regenerate natural capital	• Achieve a world living in harmony with nature through initiatives including the building of a circular economy and supply chain management	• Accelerate initiatives toward a nature-positive world by 2030 ◦ Analyze nature-related risks and opportunities in each business ◦ Reduce risk of the entire supply chain, including sustainable procurement of major natural resources ◦ Pursue new business by developing products, services, and scheme that encourage the shift toward Nature Positive and a circular economy

Material issues	Long-term goals	Medium- term goals
Respect human rights	• Respect the human rights of all stakeholders in all businesses and supply chains	• Promote and ensure respect for human rights in accordance with the United Nations Guiding Principles on Business and Human Rights and Sumitomo Corporation Group's Human Rights Policy ◦ Reduce human rights risks by further strengthening human rights due diligence and grievance mechanisms(*4) across the entire supply chain ◦ Promote initiatives and improve transparency through stakeholder engagement and enhancement of information disclosure • Ensure a safe workplace environment
Develop talent and promote DE&I	• Create workplaces that allow diverse employees to apply their capabilities with passion in their own ways	• Increase diversity in decision-making positions • Cultivate inclusive leadership
Maintain and strengthen governance	• Develop a robust governance system to enhance the corporate value	• Further improve the effectiveness of oversight functions for ensuring the efficiency, soundness, and transparency of management • Establish Group management system that responds to changes in the business environment with agility

*1 Social contribution activity program with employee participation at Sumitomo Corporation Group

*2 Indirect CO_2 emissions generated by others with the use of fossil fuel

*3 Contribute to CO_2 reduction by setting targets for individual businesses

*4 A process that employees, local residents or other stakeholders can use to lodge complaints regarding human rights violations and other issues related to enterprise's business activities including its supply chain, for resolving such issues

Key Company-wide Initiatives in FY2024

Material issues	Long-term goals	Status of initiatives up to FY2024	Policies for future initiatives
Build resilient and prosperous society	Contribute to the development of local communities and economies	・Promoted 100SEED, employee-participation social contribution activities based on the theme of "education," on a global scale. Participation rate of employees in Sumitomo Corporation and regional organizations is expected to be more than 5% each in Japan and overseas	・Continue 100SEED activities through the "Mirai School" career education support program Plan to implement the program for more than 100,000 students at 80 schools across Japan due to the increase in number of schools requesting it in FY2025
Overcome climate change	Contribute to the carbon neutrality of society	・Completed calculation of greenhouse gas emissions (Scope 3) in the supply chain for the entire Group ・Implemented trial calculation of reduction contribution as a quantitative indicator to measure contribution of major GX promotion projects for a carbon-neutral society	・Plan to disclose information in accordance with SSBJ (including the financial impact of climate-related risks and opportunities) from FY2026 and take measures accordingly ・Work with stakeholders to decarbonize society as well as accelerate new growth through GX promotion
Preserve and regenerate natural capital	Achieve a world living in harmony with nature through initiatives including the building of a circular economy and supply chain management	・Implemented trial disclosure based on TNFD as TNFD Early Adopter ・Identified priority businesses (high-risk businesses) across the Group to strengthen risk-based initiatives toward a nature-positive world in the future	・Enhance information disclosure, including implementation of TNFD full disclosure during FY2025 ・Strengthen initiatives toward a nature-positive world in priority businesses, including the supply chain
Respect human rights	Respect the human rights of all stakeholders in all businesses and supply chains	・Completed human rights due diligence for all businesses that have been implemented since FY2021 ・Identified priority businesses (high-risk businesses) across the Group to strengthen risk-based human rights due diligence in the future	・Further strengthen human rights due diligence and grievance mechanisms in priority businesses, including the supply chain
Develop talent and promote DE&I	Create workplaces that allow diverse employees to apply their capabilities with passion in their own ways	・Implemented measures to maximize the will and potential of diverse individuals, such as implementing "WILL recruitment" selection process and expanding the internal job posting system ・In order to systematically develop management talent, started the training cycle by identifying potential personnel, setting up target positions for training, and matching them with each personnel. ・Enhanced and strengthened the succession pipeline for key positions (initiatively nominating mid-career talent, women, and young employees)	・Formulate leadership competencies and conduct talent assessments based on them ・Reorganize human resources development system to develop management talent
Maintain and strengthen governance	Develop a robust governance system to enhance the corporate value	・Confirmed the direction of reviewing the structure and operation of the Board of Directors to enable it to exercise highly effective oversight functions over management execution ・Specific actions decided: (1) increase the number of outside directors to a majority; (2) expand the scope of delegation of important business execution decision-making to the Management Council; and (3) set agenda items to enhance monitoring and discussion of important management themes throughout the company	・Plan to start operation under the new structure subject to the submission of related proposals, including changes to organizational design (transition to a company with an Audit & Supervisory Committee), to the regular General Meeting of Shareholders in June and approval

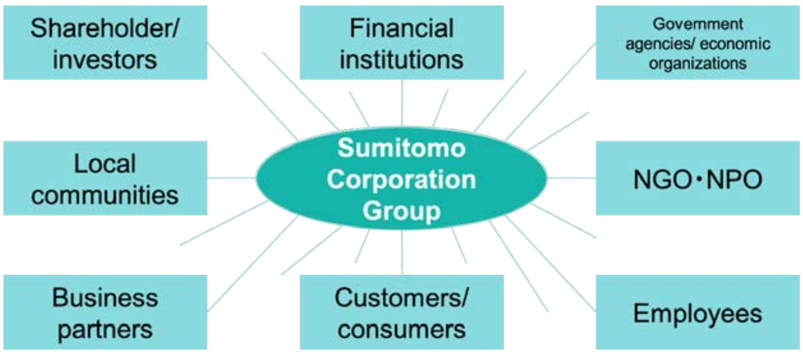
Please refer to the links below for more information on company-wide initiatives.

- Social Contribution Activities
- Climate Change
- Sustainable Use of Natural Resources and Circular Economy
- Biodiversity
- Respect for Human Rights
- Our People
- Corporate Governance

Stakeholder Engagement

Relationships with Stakeholders

The Sumitomo Corporation Group places importance on dialogue with various stakeholders around us. To build a relationship of trust with each stakeholder, we proactively provide information on our activities and ensure continuous communication with them. Through these efforts, the Group keeps informed of stakeholders' expectations and concerns, based on which we will promote our sustainability and improve our long-term value.



Stakeholders	Major means of dialogue
Shareholders/investors/financial institutions	General meeting of shareholders, Investor meeting for annual results, IR Day, integrated report, annual securities report, business report for shareholders, website, reporting to credit rating agencies, various small meetings, etc.
Government agencies/economic organizations	Integrated report, communication with government agencies and international organizations in Japan and abroad, participation in discussion meetings and round-table conferences with government offices, activities through business and industrial associations, etc.
Local communities	Integrated report, dialogue with local residents in business activities and support for communities, social contribution activities, etc.
Business partners/customers/consumers	Integrated report, website, advertisements, customer information office, supply chain survey, etc.

Stakeholders	Major means of dialogue
NGOs/NPOs	Integrated report, cooperation and communication with NGOs and NPOs in business activities, cooperation in social contribution activities, responses to surveys, etc.
Employees	Integrated report, internal magazine, intranet, training sessions and seminars, labor/management round-table meeting, employee awareness survey, the speak-up system, etc.

Sustainable Finance

Purpose

We have developed the Sustainable Finance Framework to promote awareness of Sumitomo Corporation Group's sustainability management among a wide range of Stakeholders, and to promote such efforts from the viewpoint of financing.

Sustainable Finance Framework

The Sumitomo Corporation's Sustainable Finance Framework sets forth guidelines for four elements (1. Use of Proceeds, 2. Process for Project Evaluation and Selection, 3. Management of Proceeds, 4. Reporting) in accordance with Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021 by the International Capital Market Association (ICMA) and Green Loan Principles 2023 and Social Loan Principles 2023 by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications & Trading Association (LSTA).

- Sustainable Finance Framework

Second-Party Opinion

For the assessment of the alignment of the Sustainable Finance Framework with the above principles and guidelines, Sumitomo Corporation obtained a second-party opinion from Rating and Investment Information, Inc. (R&I).

- Second-Party Opinion

Reporting

Name	1st Green Bond (60th unsecured bonds)	2nd Green Bond (64th unsecured bonds)	Green Syndication Loan	3rd Green Bond (68th unsecured bonds)
Issue Date	May 24, 2022	Sep 6, 2023	Dec 14, 2024	Feb 20, 2025
Redemption date	May 24, 2032	Sep 6, 2033	Dec 14, 2031	Feb 20, 2030
Term to Maturity	10 years	10 years	7 years	5 years
Issue Amount	20 billion yen	10 billion yen	20 billion yen	20 billion yen
Reporting	Reporting	Reporting	Reporting	
The second-party opinion	Review	Review	Review	

* 1st and 2nd Green Bond were issued under the Green Finance Framework published in February 2022.
The Sustainable Finance Framework published in February 2024 constitutes a revision of the Green Finance Framework.

- Green Finance Framework
- Second-Party Opinion by Sustainalytics

Allocation Status

(Unit: Billions of JPY)

Project Category	1st Green Bond	2nd Green Bond	Green Syndication Loan	3rd Green Bond	Total
	May 2022	Sep 2023	Dec 2024	Feb 2025	
Renewable energy	5.2	7.9	0	11.0	24.1
Environmentally sustainable management of living natural resources and land use	5.1	2.1	0	0	7.2
Clean transportation	8.2	0	0	0	8.2
Energy efficiency	1.5	0	6.9	0	8.4
Sustainable water and wastewater management	0	0	0	0	0
Green buildings	0	0	13.1	9.0	22.1
Access to essential services	0	0	0	0	0
Total	20.0	10.0	20.0	20.0	70

As of March 2025

Commitment to External Initiatives

UN Global Compact

The Global Compact (GC) was proposed by the former UN Secretary General Kofi Annan in 1999 and officially launched in 2000 at the UN Headquarters in New York.

In March 2009, Sumitomo Corporation signed the UN Global Compact and declared its support for the 10 principles, shares the same values as our Corporate Mission Statement. We are raising the awareness of our officers and employees around the world regarding their purpose and making efforts to further increasing our 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.

We are also actively participating in the activities of Japan's local network, Global Compact Network Japan, as one of the member companies. In FY2022, we took part in working groups on: environmental management related to climate change, biodiversity and other environmental issues; human rights due diligence; reporting; supply chain; SDGs; ESG; CSV and circular economy. Through this involvement, we acquire information on recent global trends in these areas, learn of examples of superior initiatives, and are provided insight from specialists. This knowledge is utilized to help the Company promote sustainability.

The Global Compact's 10 Principles

Human Rights

1.Businesses should support and respect the protection of internationally proclaimed human rights; and

2.make sure that they are not complicit in human rights abuses.

Labour Standards

3.Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4.the elimination of all forms of forced and compulsory labour;

5.the effective abolition of child labour; and

6.the elimination of discrimination in respect of employment and occupation.

Environment

7.Businesses should support a precautionary approach to environmental challenges;

8.undertake initiatives to promote greater environmental responsibility; and

9.encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10.Businesses should work against corruption in all its forms, including extortion and bribery.

* We also support the Universal Declaraion of Human Rights, which the 10 principles of the UN Global Compact are derived from.

Keidanren / Japan Foreign Trade Council

As a member of the Subcommittee on Global Environment of the Committee on Environment and Safety of Keidanren (Japan Business Federation), we address global warming and climate change and helps design environmental policies that will not harm the economy. We also participate in the Sustainability Promotion Committee of Japan Foreign Trade Council, Inc. to discuss how to realize a low-carbon society and a recycling society, and how to comply with environment-related laws and regulations. In addition, we participate in the Social Contribution & ABIC Committee to cooperate in the expansion of ABIC activities and exchange information concerning social contribution activities in our industry. When assessing whether to join membership with an industry group, we confirm whether the group's climate change initiatives are consistent with our policy on climate change. Also, we implement appropriate climate change countermeasures regardless of the level of influence of the affiliated industry group.

GX League

In April 2023, Sumitomo Corporation joined the GX League* led by the Ministry of Economy, Trade and Industry (METI).
The GX League is a forum for companies, the government, and academic institutions, under which they challenge to realize carbon neutrality by 2050 and GX (Green Transformation) for entire societal transformation and collaborate each other to aim for sustainable growth both in the present and future society.

In addition to aiming for carbon neutral in 2050 as our group, we have been also actively working on initiatives that contribute to the carbon neutrality as an entire society and will further promote these efforts by utilizing the framework of the GX League.

For instance, we joined GX-ETS, and are implementing measures to achieve greenhouse gas emission reduction targets for the Phase 1 (FY2023-FY2025), FY2025 and FY2030 which are aligned with carbon neutrality by 2050. We also contribute to formulating GX-related rules through joining working groups. We expect to realize create new values on reducing carbon emissions and further activate trading under carbon credit markets thorough activities including the working groups.

Joined Working Group

- WG for GX Management Promotion
- WG for Voluntary Credit-related Information Disclosure Consideration (We joined as a leader company.)
- WG for Eligible Carbon Credit
- WG for GX Human Resources Market Creation (We joined as an observer company.)

Besides WG mentioned above, we participate in discussions on rule making by submitting our opinions to each WG under the GX League.

* Sumitomo Corporation endorsed the GX League Basic Concept, which lays out the basic guidelines for the full-scale operation of the GX League in March 2022.

GXL FOR WORLD

DECOKATSU

In April 2024, Sumitomo Corporation made a commitment and joined a support team under "DECOKATSU" led by the Ministry of the Environment. DECOKATSU is a national movement to change people's behavior and lifestyles toward the achievement of the 2030 GHG emission reduction target and carbon neutrality in 2050. Under DECOKATSU, we are committed to contribute to realizing carbon neutrality as an entire society by expanding our renewable energy capacity up to 5GW by 2030 as our commitment under DECOKATSU.
We will continue to share our decarbonizing businesses and conduct networking with various stakeholders through DECOKATSU.

Japan CCS Co., Ltd./ Global CCS Institute / Asia CCUS Network

We are a shareholder of Japan CCS Co.,Ltd. (JCCS). The company is conducting demonstration tests on the use of CCS technology, which involves capturing and storing CO_2 in the ground, as well as chemical synthesis of CO_2.
We joined the Global CCS Institute (GCCSI) to meet conditions desirable to apply CCS. Since 2021, the company has been participating in the Asia CCUS Network to share knowledge with and educate Asian countries with regard to CCUS.

Taskforce on Climate-related Financial Disclosures (TCFD)

Sumitomo Corporation recognizes the importance of climate-related financial disclosures and supports the recommendations of the TCFD*, and further expand its information disclosure in accordance with the recommendations.

* The Taskforce on Climate-related Financial Disclosures was established by the Financial Stability Board (FSB). The final report to recommend further expansion of information disclosure was released in June, 2017.

Disclosure based on TCFD recommendations

Support for Keidanren Declaration on Biodiversity and Action Guidelines

In January 2020, Sumitomo Corporation supported the "Keidanren Declaration on Biodiversity and Action Guidelines (Revised edition)" formulated by Keidanren and the Keidanren Committee on Nature Conservation.
This Declaration sets forth the determination and action guidelines to address biodiversity conservation issues from the corporate perspective in order to realize a sustainable society through building a society in harmony with nature.
Recognizing the importance of biodiversity and natural activities, we will continue to work to maintain and conserve biodiversity to realize a sustainable society.

Circular Partners

In March 2024, Sumitomo Corporation joined "Circular Partners (CPs)" led by the Ministry of Economy, Trade and Industry (METI). CPs is a forum of national and local government, universities, companies, industrial associations and relevant organizations which are ambitious and pioneering in the field of Circular Economy (CE).
Under this partnership, members are engaged in consideration on necessary measures to realize CE.
We will continue our contribution to realizing CE by further promoting CE-related businesses while participating in rule making and networking with possible business partners under CPs. In addition, to promote CE-related businesses, we have set a goal to produce 3,000 metric tons of phosphoric acid made from sewage sludge incineration ash by the end of September 2029.

Circular Partners

Taskforce on Nature-related Financial Disclosures (TNFD)

Our business depends largely on natural capital, and biodiversity conservation is an important issue for the company. In June 2022, Sumitomo Corporation joined the TNFD Forum, a network of institutional supporters who share the vision and mission of TNFD*. In January 2024, we registered as a TNFD Early Adopter and expressed our commitment to early adoption of the disclosure recommendation published by the TNFD in September 2023. To accelerate our efforts to conserve and restore natural capital through our business, we made disclosures based on the TNFD in FY2025.

* Taskforce on Nature-related Financial Disclosures. A global initiative aimed to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks.

Information disclosure based on the TNFD recommendations

Stakeholder Capitalism Metrics

In January 2021, Sumitomo Corporation supported and signed the Stakeholder Capitalism Metrics, a standard for non-financial information disclosure released by the International Business Committee (IBC) of the World Economic Forum (WEF). While utilizing this metrics, we will further expand the disclosure of non-financial information to our stakeholders.

Disclosure based on IBC Stakeholder Capitalism Metrics

Keidanren Nature Conservation Fund (KNCF)

KNCF, which was established in 1992 and is comprised of Keidanren member companies that actively work on nature and biodiversity conservation, supports nature conservation activities and promotes exchange with NGOs. Sumitomo Corporation is participating in KNCF as its member.

Council for Better Corporate Citizenship (CBCC)

CBCC was established in 1989 with the support of Keidanren to provide support for activities that help Japanese companies to be accepted as good corporate citizens by communities in which they operate outside of Japan. As a member of CBCC, Sumitomo Corporation collects the latest information about CSR and engages in CSR dialogue with related organizations in and outside Japan.

External Recognition

FTSE4Good Index Series / FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index

We were selected as a constituent of FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index. Published by FTSE Russell, an investment index calculator, FTSE4Good Index Series consists of companies with strong Environment, Social and Governance (ESG) practices. FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index which are also provided by FTSE Russell, measure the performance of Japanese companies in terms of ESG practices. They have also been adopted by the Government Pension Investment Fund (GPIF) as an effective index for ESG investment.

FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

- FTSE4Good
- FTSE Blossom Japan
- FTSE Blossom Japan Sector Relative Index

MSCI Nihonkabu ESG Select Leaders Index

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

We were selected as MSCI Nihonkabu ESG Select Leaders Index. (As of June 2025).
The MSCI Nihonkabu ESG Select Leaders Index is a free float-adjusted market capitalization-weighted index designed to represent the performance of companies that are selected from the MSCI Nihonkabu Investable Market Index (Parent Index) based on Environmental, Social and Governance (ESG) criteria. These criteria exclude constituents based on involvement in specific business activities, as well as ESG ratings and exposure to ESG controversies. The Index construction has a target coverage of 50% by number of securities in each Global Industry Classification Standard (GICS®) sector of the Parent Index by selecting constituents primarily based on criteria including the ESG rating and the company's industry adjusted ESG score. It has been adopted by the Government Pension Investment Fund (GPIF) as ESG index.

* THE INCLUSION OF SUMITOMO CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SUMITOMO CORPORATION BY MSCI OR ANY OF ITS AFFILIATES.THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

We were selected as Morningstar Japan ex-REIT Gender Diversity Tilt Index. (As of December 2024).
Built with the data and scoring methodology of Equileap, GenDi J is designed to emphasize the stock of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender.
The companies are categorized into five groups, and we have been rated Group 3, the third highest of the five levels.
It has been adopted by the Government Pension Investment Fund (GPIF) as ESG index.

S&P/JPX Carbon Efficient Index

We were selected in S&P/JPX Carbon Efficient Index, a global environmental stock index created by S&P Dow Jones Indices in the United States (As of September 2024). It is adopted by the GPIF as an effective index for ESG investment.

SOMPO Sustainability Index

We were selected in the SOMPO Sustainability Index managed by SOMPO Asset Management Co., Ltd. ("SOMPO Asset Management") (As of June 2025) The SOMPO Sustainable Management, launched by SOMPO Asset Management in August 2012, is a socially responsible investment funds for pension trusts and institutional investors that invest broadly in companies having a strong positive evaluation for ESG performance.

CDP

In 2024, we were evaluated B (Management level) in the Climate Change program, A- (leadership level) in the Water Security program and A- (leadership level) in the Forests program by the CDP (*).

* CDP: A UK-based global non-governmental organization (NGO) that discloses environmental information collected from companies and cities. CDP ranks their responses into eight grades; A, A-, B, B-, C, C-, D, and D- once a year. The number of investors backing CDP's annual request has ballooned to more than 700, representing a quarter of all global institutional financial assets. Now, companies representing two-thirds of global market capitalization – from 130 countries – disclose critical environmental data through CDP.

Minister of the Environment "6th ESG Finance Awards Japan" "Environmentally Sustainable Company" in the Environmentally Sustainable Company Category

The purpose of this award is to recognize the initiatives of institutional investors, financial institutions, intermediaries, and companies that have actively engaged in and made an impact in ESG finance or environmental and social business, and to widely publicize these efforts in order to promote and expand ESG finance.
"The Environmentally Sustainable Company Category" is in order to show examples of companies, that have incorporated "significant environment-related opportunities and risks" into their management strategies to increase "corporate value," and created positive effects on the environment while also increasing their corporate value.

Daiwa Investor Relations "Daiwa Internet IR Awards 2024" Excellence Award in the Sustainability Category

Daiwa Investor Relations Co. Ltd. evaluates the websites (IR sites) of Japanese listed companies, and awards to companies that have built excellent websites and are using them effectively for information disclosure and communication activities.
We received the Excellence Award in the Sustainability Category evaluated based on 6 items: homepage, overall policy, environment, society, governance, and support.

"Eruboshi" Certification

In May 2016, we were certified as a second-highest class "Eruboshi" company in recognition of the effort 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" as a Company that Provides Superior Childcare Support

We were granted "Platinum Kurumin" certification in June 2015 by the Ministry of Health, Labor and Welfare (MHLW) in recognition of providing superior childcare support among the "Kurumin" certified companies.

Reforming and Diversifying Work Practices

We have been certified by METI as an enterprise with outstanding health and productivity management for nine consecutive years from 2017 to 2025.

Certified as a "Gold" in "PRIDE INDEX"

We have been certified as a "Gold" in "PRIDE INDEX" for 2 consecutive years (2023-2024) in recognition of the effort to support sexual minorities including LGBTQ+ by a general incorporated association "work with Pride".

Telework Pioneer 100

We were selected for inclusion in the Top Hundred Telework Pioneers for FY2019 by the Ministry of Internal Affairs and Communications (MIC).Through Top Hundred Telework Pioneers, MIC recognizes companies and organizations with sufficient achievements that are advancing the introduction and utilization of telecommuting.

Kagayaku Telework Award

Sumitomo Corporation won the Excellence Award of the FY2020 Telework Promotion Company Award (Kagayaku Telework Award) presented by the MHLW. This award is presented to companies and organizations that achieved outstanding results in maintaining a good work-life balance for employees through the use of telework. The Excellence Award in particular recognizes companies and organizations with exceptional measures.

DX-Certified Business Operator

Sumitomo Corporation was selected as a DX-Certified Business Operator under METI's DX Certification System. This system recognizes DX-Certified Business Operators as companies ready to pursue DX in accordance with the Act on Facilitation of Information Processing.

DX認定

Won the 19th Corporate Philanthropy Special Award

Our global social contribution activity program “100SEED” won the "Tanemaki (Seeding) Century Award" at the 19th Corporate Philanthropy Award, which is intended to commend activities that help resolve social issues and contribute to the sound development of our society.(Awarded in 2022)

Environmental-related data

Environmental-related data

Environment (Climate Change)

Some of the environmental performance indicators for the year ended March 2025 disclosed in our website [Environmental-related data] have received independent practitioner's assurance from KPMG AZSA Sustainability Co., Ltd.
For details, please refer to [Environmental-related data].

Sumitomo Corporation Group's CO_2 Emissions targeted for Carbon Neutrality

(Unit: thousand t-CO_2e)

Item		FY2020	FY2021	FY2022	FY2023	FY2024
Total		55,367	55,497	52,572	51,606	50,847
(Components by Activity)	Business other than power generation	974	967	757	782	672
	Power generation business	40,582	41,368	42,613	39,632	38,612
	Fossil energy concession (Included: Thermal coal mine business in fossil energy concession)	13,811 (11,207)	13,162 (11,457)	9,203 (8,035)	11,192 (10,164)	11,564 (10,248)

* We set "Policies on Climate Change Issues" and aim for realizing carbon neutrality by 2050. The scope of business targeted for carbon neutralization includes the power generation businesses and fossil energy concession businesses in addition to Scope 1 and 2 of the Submitting Company and its subsidiaries. As for the results of power generation businesses, including the base year, we have included the estimated figures after the construction and operation of the businesses, even if the project is still under construction.
* For details, please refer to [Climate Change Initiatives].

GHG Emissions

(Unit: thousand t-CO_2e)

Item		FY2020	FY2021	FY2022	FY2023	FY2024
Total		2,180	2,293	2,081	5,102	7,157
(Components)	Scope1<Energy-related CO_2>	1,523	1,389	1,268	4,485	6,630
	Scope1 <Non energy-related CO_2 and GHGs other than CO_2>	4	232	260	45	36
	Scope2	653	672	553	572	490

* The boundary is on a consolidated basis and includes Sumitomo Corporation, consolidated subsidiaries and Joint operations.
* We apply the operational control approach in the GHG Protocol to decide the boundary. Thus, we include all emissions from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include emissions from joint operations corresponding to the investment ratio as of the end of March.
* GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.
* CO_2 emission factors for electricity: (market based method)
  (Non-consolidated in Japan) From FY2024, basic emission factors of individual power companies (adjusted for non-fossil power sources) were used. Adjusted emission factors were used from FY2021 to FY2023, and basic emission factors were used in FY2020.
  (Consolidated subsidiaries in Japan) The average emission factors of all power companies.
  (Overseas) Emission factors from electricity generation are based on the latest country-specific statistics provided by the IEA (International Energy Agency). For FY2024 results, the factors are derived from 2022 data listed in "CO_2 EMISSIONS FROM FUEL COMBUSTION 2024 EDITION". A power generation company has been using emission factors published by its country of location since FY2024.
* CO_2 emission factors other than those from electricity generation are based on a manual for GHG emissions accounting, reporting, and disclosure systems published by Japan’s Ministry of the Environment.
* The breakdown of 7,120 thousand t-CO_2e from Scope1 energy-related CO_2 and Scope2 in FY2024 by business activity is 672 thousand t-CO_2e for business other than power generation and 6,449 thousand t-CO_2e for power generation.
* The main reason for the increase in FY2024 compared to FY2023 is that a power generation plant operated throughout the entire fiscal year.

GHG Emissions（Scope1 <Non energy-related CO_2 and GHGs other than CO_2>）

(Unit: thousand t-CO_2e)

Item		FY2020	FY2021	FY2022	FY2023	FY2024
Total		4	232	260	45	36
(Components)	Non energy-related CO_2	0	0	0	0	0
	Methane (CH4)	0	129	153	0	0
	Dinitrogen monoxide (N2O)	4	103	107	45	36
	Hydrofluorocarbons (HFCs)	0	0	0	0	0
	Perfluorocarbons (PFCs)	0	0	0	0	0
	Sulfur hexafluoride (SF6)	0	0	0	0	0
	Nitrogen trifluoride (NF3)	0	0	0	0	0

* The boundary is on a consolidated basis and includes Sumitomo Corporation, consolidated subsidiaries and Joint operations. In FY2020, the boundary covered consolidated entities excluding Joint operations, and from FY2021 onward covers consolidated including Joint operations.
* We apply the operational control approach in the GHG Protocol to decide the boundary. Thus, we include all emissions from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include emissions from joint operations corresponding to the investment ratio as of the end of March.
* Until FY2022, we had been calculating Scope1 (other than energy-related CO_2) including our subsidiaries' emissions on the condition that they emitted more than 3,000 t-CO_2e in total of each GHG in accordance with "Calculation, Reporting, and Disclosure System" of Ministry of the Environment of Japan. From FY2023, we have abolished the 3,000 t-CO_2e threshold and calculate all emissions except for minor emission.

GHG Emissions（Scope3）

(Unit: thousand t-CO_2e)

Item		FY2020	FY2021	FY2022	FY2023	FY2024
Total		34.38	33.19	46.43	25.07	26.27
(Components)	Category4 : Upstream Transportation and Distribution	3.88	4.09	4.00	2.97	2.78
	Category5 : Waste	0.01	0.01	0.01	0.01	0.01
	Category6 : Overseas Business Trips	0.07	0.57	10.28	21.51	22.88
	Category7 : Commuting	0.14	0.37	0.51	0.58	0.60
	Category13 : Downstream Leased Assets	30.29	28.15	31.63	-	-

* The boundary is Sumitomo Corporation (in Japan) and includes the head office, domestic branches and sub-branches.
  For GHG emissions on a consolidated basis (Scope 3), please refer to the following link.

  GHG emissions (Scope 3 <consolidated>)

* GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.
* GHG emissions from category4 (Upstream transportation and distribution) include the transport of cargo within Japan for which Sumitomo Corporation is the cargo owner and are calculated based on a manual for GHG emissions accounting, reporting, and disclosure systems published by Japan's Ministry of the Environment. Sumitomo Corporation complies with the Act and reduces the use of energy of transportation through promotion of modal shift (utilization of railroads and vessels), optimization of delivery routes and loading on vehicles, promotion of eco-driving, etc. We have set a target of reducing the use of energy from Upstream transportation and distribution per shipping weight by at least 1% annually in Japan.
* GHG emissions from category5 (waste) are calculated from all general waste of Sumitomo Corporation. The results were calculated using the emission intensity for each type of waste, which is published in the emission intensity database for calculating greenhouse gas emissions and other emissions by organizations throughout the supply chain. The calculation of GHG emissions for FY2024 uses the emission intensity database Ver.3.5.
* GHG emissions from category6 (due to overseas business trips) are from flights departing from and arriving in Japan that Sumitomo Corporation employees took. Business trip destinations are classified into 12 areas and passenger-kilometers are estimated based on the travel distance between Japan and representative airport of each area. GHG emissions due to overseas business trips are calculated by applying CO_2 emission factors published by the UK's Department for Energy Security and Net Zero to the passenger-kilometers.
* GHG emissions from category7 (commuting) are those from the commuting of Sumitomo Corporation's employees working in Japan, calculated by using the emissions factors per passenger-kilometer for passenger transport by transport mode published in the Ministry of Land, Infrastructure, Transport and Tourism publication "CO_2 Emissions in the Transport Sector" up to FY2020. After FY2021 results were calculated using emission intensity per number of employees and working days by work type and city classification, which is published in the emission intensity database for calculating greenhouse gas emissions and other emissions by organizations throughout the supply chain. FY2024 results were based on this database (Ver. 3.5).
* GHG emissions from Category13 (downstream leased assets) were calculated until FY2022 for the shared areas of buildings owned by Sumitomo Corporation leased to other companies, but were included in Scope1 and Scope2 as a result of refinement of the boundary from FY2023.

Energy Consumption, Electricity Consumption

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Energy Consumption	thousand GJ	29,574	28,680	25,027	66,237	89,316
Electricity Consumption	MWh	1,525,641	1,645,278	1,336,280	1,470,838	1,444,035

* The boundary is on a consolidated basis and includes Sumitomo Corporation, consolidated subsidiaries and Joint operations.
* We apply mutatis mutandis the operational control approach in the GHG Protocol to decide the boundary. Thus, we include all consumptions from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include consumptions from joint operations corresponding to the investment ratio as of the end of March.
* Energy consumption includes energy derived from biomass fuels since FY2023, but did not include energy derived from biomass fuels before FY2022. To improve the accuracy of calculations, the figure for FY2023 has been revised from 70,340 thousand GJ.
* Energy conversion factor from electricity consumption: 3.6 (MJ/kWh).
* Energy conversion factors from other than electricity consumption are based on the Act on Rationalizing Energy use and Shifting to Non-fossil Energy in Japan.
* Within the boundary of environmental data, electricity consumption includes the electricity purchased from power generation companies and generated from renewable energy sources (excluding biomass) which is consumed in-house.
* The amount of electricity consumption purchased from other companies and the amount of electricity generated in-house which was derived from renewable energy sources (excluding biomass fuels for self-generated and self-consumed use) was 322,716MWh in FY2024.
* The main reason for the increase of energy consumption in FY2024 compared to FY2023 is that a power generation plant operated throughout the entire fiscal year.

Environment (Water Resources)

Water Withdrawal

Item		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total		thousand m^3	93,120	78,107	66,452	1,525,114	1,623,781
(Components of Water Sources)	Third-party sources, Industrial water		4,807	6,809	7,357	7,374	5,917
	Groundwater		56,085	34,342	19,454	20,328	26,622
	Rivers, lakes		31,701	35,998	37,680	28,641	32,192
	Sea		2	3	4	1,468,770	1,559,050
	Rainwater		526	955	1,957	0	0
Water Withdrawal per consolidated revenue		thousand m^3 /million yen	0.020	0.014	0.010	0.221	0.223

* The boundary is on a consolidated basis and includes Sumitomo Corporation, consolidated subsidiaries and Joint operations.
* We apply mutatis mutandis the operational control approach in the GHG Protocol to decide the boundary. Thus, we include all water withdrawal from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include water withdrawal from joint operations corresponding to the investment ratio as of the end of March.
* The main reason for the increase of water withdrawal in FY2024 compared to FY2023 is that a power generation plant operated throughout the entire fiscal year.

Water Withdrawal in Water-Stressed Areas (Components of Water Withdrawal)

Item		Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total		thousand m^3	2,041	2,897	4,351	921	833
(Components of Water Sources)	Third-party sources, Industrial water		793	895	1,007	621	546
	Groundwater		721	956	199	296	283
	Rivers, lakes		0	87	1,185	0	0
	Sea		2	3	4	4	4
	Rainwater		526	955	1,957	0	0
	Number of sites	Site	60	53	84	84	102

* Water Withdrawal in water-stressed areas is aggregated locations with a water risk level of 3 (High) or higher as water-stressed areas on the World Resources Institute (WRI)'s "WRI Aqueduct".

Water Discharge

(Unit: thousand m^3)

Item		FY2020	FY2021	FY2022	FY2023	FY2024
Total		52,723	7,205	7,185	1,471,837	1,563,653
(Components of Discharge Destination)	Third-party sources	48,016	2,540	2,444	3,206	2,793
	Groundwater	200	230	40	0	3
	Rivers, lakes	3,512	3,461	3,681	3,236	5,642
	Sea	995	974	1,020	1,465,395	1,555,214

* The boundary is consolidated and includes Sumitomo Corporation consolidated subsidiaries and Joint operations.
* We apply mutatis mutandis the operational control approach recommended in the GHG Protocol to decide the calculation scope. Thus, we include all water discharge from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include water discharge from joint operations corresponding to the investment ratio as of the end of March.
* The main reason for the increase of water discharge in FY2024 compared to FY2023 is that a power generation plant operated throughout the entire fiscal year.

Environment (Resources and Waste)

Item	Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Waste Emissions	Consolidated	t	36,480	36,413	33,200	35,033	35,105
General waste from Business Operations – Recycled Volume	Non-consolidated (in Japan)		41	44	47	74	82
General waste from Business Operations –Final Disposal Volume			2	2	2	3	3
General waste from Business Operations – Recycling Ratio		%	96.1	95.6	95.8	96.4	96.5
Industrial waste of plastic -containing products -Waste Volume		t	-	151	213	212	193
Industrial waste of plastic -containing products -Recycled Volume			-	21	36	60	52
Industrial waste of plastic -containing products – Thermal Recovery Volume			-	93	139	108	112
Hazardous Waste Emissions			6.29	1.36	0.72	0.55	0
Air Pollutant Emissions (Including NOx, SOx)			0	0	0	0	0
Paper Consumption		thousand sheets	4,559	5,254	5,887	5,769	5,695

* The boundary of “Consolidated” is Sumitomo Corporation, consolidated subsidiaries and Joint operations. The boundary of "Non-consolidated (in Japan)" includes the head office, domestic branches and sub-branches.
* We apply mutatis mutandis the operational control approach in the GHG Protocol to decide the boundary of waste emissions. Thus, we include all waste emissions from businesses only when we have operational control over the businesses from FY2023 instead of the method that we applied until FY2022, which we include waste emissions from joint operations corresponding to the investment ratio as of the end of March.
* Waste emissions are for general waste from business operations; industrial waste and valuable resources are not included.

Environment (Others)

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of sites covered by ISO14001		Non-consolidated (in Japan)	%	100	100	100	100	100
		Consolidated		19	21	21	16	18
Violations of environmental laws and regulations (penalties of one million yen or more, etc.)	Number of cases	Non-consolidated (in Japan)	case	0	0	0	0	0
	Amount of penalties		million yen	0	0	0	0	0

GHG emissions (Scope 3 <consolidated>)

GHG emissions (Scope 3 <consolidated>)

1 Guidelines Referenced

GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"
Various information sources from the Green Value Chain Platform led by the Ministry of the Environment

2 Scope

- Sumitomo Corporation Group (including consolidated subsidiaries)
  However, certain subsidiaries are excluded due to their small business revenue scale and non-compliance with high-emission business criteria

3 Independent Practitioner's Assurance

- Scope 3 emissions data are assured by Socotec Certification Japan Co., Ltd.

Independent Assurance Report

4 Main calculation methods

Category			Activity Examples	Main data sources used as emission factors
Upstream	1	**Purchased goods and services**	• Quantity or amount of purchased goods and raw materials	• Emissions factor databases for calculating an organization's greenhouse gas emissions through the supply chain • Ecoinvent LCA database • Estimation based on actual values obtained from suppliers or publicly available values
	2	**Capital goods**	• Amount of capital goods purchased	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain
	3	**Fuel- and energy-related activities**	• Quantity of purchased fuel, heat, and electricity	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain • LCI database IDEA
	4	**Upstream transportation and distribution**	• Cargo weight and transportation distance, or transportation costs	• UK Government GHG Conversion Factors for Company Reporting • Emission factor database for calculating an organization's greenhouse gas emissions through the supply chain
	5	**Waste generated in operations**	• Quantity of general waste and industrial waste	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain
	6	**Business travel**	• Number of employees	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain
	7	**Employee commuting**	• Number of employees	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain
	8	**Upstream leased assets**	• No applicable transactions	—

Category			Activity Examples	Main data sources used as emission factors
Downstream	**9**	**Downstream transportation and distribution**	• Cargo weight and transportation distance, or transportation costs	• UK Government GHG Conversion Factors for Company Reporting • Emission factor database for calculating an organization's greenhouse gas emissions through the supply chain
	10	**Processing of sold products**	• Quantity of intermediate goods sold	• Develop a scenario for the processing of intermediate products into final products based on reasonable assumptions • Ecoinvent LCA database
	11	**Use of sold products**	• Quantity of sold products	• Establish a usage scenario based on reasonable assumptions
	12	**End-of-life treatment of sold products**	• Quantity of sold products	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain
	13	**Downstream leased assets**	• Quantity of leased products	• Establish a usage scenario based on reasonable assumptions
	14	**Franchises**	• No applicable transactions	—
	15	**Investments**	• Scope 1/2 performance or revenue of equity method affiliates and general investment targets, or our investment amount	• Emission factor database for calculating an organization's greenhouse gas emissions, etc., through the supply chain

5 Emissions Performance

(Unit: thousand t-CO_2e)

Category			FY2024
Upstream	**1**	**Purchased goods and services**	32,713
	2	**Capital goods**	629
	3	**Fuel- and energy-related activities**	4,542
	4	**Upstream transportation and distribution**	2,308
	5	**Waste generated in operations**	21
	6	**Business travel**	28
	7	**Employee commuting**	23
	8	**Upstream leased assets**	-
Downstream	**9**	**Downstream transportation and distribution**	301
	10	**Processing of sold products**	1,031
	11	**Use of sold products**	38,015
	12	**End-of-life treatment of sold products**	245
	13	**Downstream leased assets**	20,052
	14	**Franchises**	-
	15	**Investments**	17,778
Total			117,688

Notes

* For trading transactions involving third-party products, revenue recognition is based on IFRS 15 Revenue Recognition, and only applies when the Group is the principal in the transaction.
* For transactions within the Sumitomo Corporation Group, double counting within the group is excluded only when double counting is clearly identified for the same emission source, for the purpose of eliminating double counting within the group.
* For emissions related to Cat4/9 transportation, domestic transportation of low significance is excluded.
* For intermediate products sold, if the processing process up to the final product cannot be identified, they are excluded from the calculation.

Social-related data

Social-related data

Society (Personnel Data)

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees		Consolidated	person	74,920	74,253	78,235	79,692	83,327
Number of temporary employees				28,523	28,169	30,222	29,529	27,483
Number of employees [Male/Female]	Male	Non-consolidated	person	3,937	3,852	3,761	3,695	3,636
	Female			1,303	1,298	1,307	1,325	1,327
	Total			5,240	5,150	5,068	5,020	4,963
Number of new employees*1	Male	Non-consolidated	person	102	75	72	63	62
	Female			52	31	29	37	36
	Total			154	106	101	100	98
Ratio of female new employees		Non-consolidated	%	33.3	28.6	28.7	37	37
Ratio of non-fulltime employees, such as contract and temporary employees		Non-consolidated	%	7.0	6.5	7.3	7.8	7.0
Number of mid-career employees	Male	Non-consolidated	person	24	14	47	68	46
	Female			3	6	28	20	18
	Total			27	20	75	88	64
Employment rate of disabled persons*2		Non-consolidated	%	2.11	2.09	2.25	2.29	2.45

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of managers*3	Male	Non-consolidated	person	2,647	2,540	2,523	2,520	2,638
	Female			216	204	232	267	306
	Total			2,863	2,744	2,755	2,787	2,944
Female Manager ratio *3		Non-consolidated	%	7.5	7.4	8.4	9.6	10.4
Female Department General Manager ratio *3		Non-consolidated	%	0.8	0.8	1.4	2.4	2.6
Ratio of employees who are covered by a collective bargaining agreement		Non-consolidated	%	59.2	60.4	62.3	64.7	66.4
Average length of service (years)	Male	Non-consolidated	year/month	18yr 10mos	19yr 2mos	19yr 1mo	18yr 11mos	18yr 10mos
	Female			15yr 10mos	16yr 4mos	16yr 6mos	16yr 6mos	16yr 6mos
	Overall mean			18yr 1mo	18yr 6mos	18yr 5mos	18yr 4mos	18yr 4mos
Gender Wage Gap between Male and Female*4	Regular employees	Non-consolidated	%	—	—	58.7	59	61.4
	Non-regular employees		%	—	—	48.9	46.3	49.7
	All employees		%	—	—	59.6	59.6	62.2

*1 Figures for previous fiscal years have been restated following changes in the calculation method of the number of persons including medical professional instituted in FY2022.

*2 Figures are as of June 1 of each fiscal year.

*3 Figures are as of April 1 of subsequent fiscal year. The calculation method has been changed from fiscal year 2022, and figures from previous years have also been restated accordingly.

*4 Items subject to calculation of the gender wage gap: Monthly salary (base pay, secondment allowance, separate living allowance, teleworking allowance, overtime work allowance, late-night premium allowance for managers, bonus) Reason for gap: The gender pay gap at our company is primarily attributable to structural differences in the ratio of female managers. In particular, when comparing employees within the same grade level—such as department general managers, team leaders, and subleaders—there is no disparity in treatment based on gender. In 2022, we integrated career courses and eliminated the rigorous course-based career system. This transition enabled a more flexible career development framework tailored to individual skills, capabilities, and aspiration. We are also reinforcing appointment and promotion practices based on job responsibilities and performance. Through these initiatives, we aim to achieve a female manager ratio of at least 20% by FY2030 and expect a further narrowing of the gender pay gap over the medium to long term.

Society (Work Styles)

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Turnover rate of full-time employees	Male	Non-consolidated	%	1.9	3.4	3.1	2.8	1.9
	Female			1.7	3.0	2.8	3.5	2.8
	Total			1.9	3.3	3.0	3.0	2.1
Voluntary turnover rate*1		Non-consolidated	%	1.9	3.0	2.6	1.6	1.4
Average monthly overtime hours		Non-consolidated	hours/ minutes	12h 49mins	12h 20mins	10h 55mins	9h 51mins	9h 51mins
Average annual days of paid vacation acquired*1		Non-consolidated	day	12.3	12.8	13.7	14.3	14.1
Spouse maternity leave		Non-consolidated	person	83	70	86	86	109
Leave to look after a sick child		Non-consolidated	person	173	169	194	243	266
Number of employees who took family care leave		Non-consolidated	person	0	0	1	0	0
Number of employees who took maternity leave		Non-consolidated	person	87	70	65	63	52
Number of employees eligible for childcare leave	Male	Non-consolidated	person	189	156	168	165	173
	Female			73	60	51	63	53
	Total			262	216	219	228	226
Number of employees who took childcare leave	Male	Non-consolidated	person	34	41	61	48	89
	Female			73	62	51	63	52
	Total			107	103	112	111	141
Ratio of eligible male employees taking childcare Leave*2		Non-consolidated	%	—	—	67.0	63.6	78.6

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who returned to work after taking childcare leave	Male	Non-consolidated	person	32	36	58	50	96
	Female			29	8	64	52	57
	Total			61	44	122	102	152
Ratio of employees who returned to work after taking childcare leave*3	Male	Non-consolidated	%	100	100	100	100	100
	Female			96.7	100	95	98	100
	Total			98.4	100	98	99	100
Number of individuals using shortened work hour system		Non-consolidated	person	173	200	195	190	187
Number of cases of violations of the Labor standards Act		Non-consolidated	case	5	5	3	0	1

*1 Partial change to scope of calculations from FY2023.

*2 The “ratio of eligible male employees taking childcare leave” is calculated based on the ratio of employees taking childcare leave or leave intended for childcare under Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991).

*3 Partial change to scope of calculations from FY2022.

Society (Occupational Safety and Health)

Item	Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of occupational accidents	Non-consolidated	case	2	2	2	5	2
Number of deaths by occupational accidents			0	1	0	0	0
Number who suffered Lost Time Incidents (LTI)	Non-consolidated	case	1	1	0	0	2
LTIFR (Lost Time Injury Frequency Rate)			0.11	0.11	0	0	0.23

Society (Human Resources Development)

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Ability development training*1	Total number of lectures	Non-consolidated	session	255	919	1,705	1,063	3,970
	Number of employees participating in training		person	12,211	44,876	92,446	40,530	65,432
	Total hours of training received		hour	50,806	119,894	177,320	106,605	142,460
	Average hours per employee*2			9.7	23.4	32.3	21.2	28.7

Item	Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees dispatched overseas	Non-consolidated	person	1,098	976	921	926	934
Number of employees undergoing training overseas	Non-consolidated	person	34	76	60	65	64
Annual education and training cost per employee	Non-consolidated	yen	325,604	327,587	380,624	322,335	287,085

*1 Training hosted by the Head Office targeted at Head Office employees and employees of overseas bases and business companies. The scope of calculation was partially revised in FY2023.
From FY2024, we have introduced the e-learning platform LinkedIn Learning.

*2 Partial change to scope of calculations from FY2023.

Society (Social Contribution)

Item		Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Social contribution activities	Number of employees who used the volunteer leave program	Non-consolidated	person	1	10	1	7	13
Political donations		Non-consolidated	million yen	28	28	28	28	28

Governance-related data

Governance-related data

Governance (Board of Directors, Audit & Supervisory Board, Nomination and Remuneration Advisory Committee)

Item			Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Board of Directors*	Internal directors	Male	Non-consolidated	person	6	6	6	6	6
		Female			0	0	0	0	0
		Total			6	6	6	6	6
	Independent outside directors	Male			3	3	3	3	3
		Female			2	2	2	2	2
		Total			5	5	5	5	5
	Total				11	11	11	11	11
Ratio of female Directors*				%	18	18	18	18	18
Number of Board of Directors meetings				time	21	22	18	17	16
Audit & Supervisory Board*	Internal directors	Male	Non-consolidated	person	2	2	2	2	2
		Female			0	0	0	0	0
		Total			2	2	2	2	2
	Independent outside directors	Male			3	2	2	2	2
		Female			0	1	1	1	1
		Total			3	3	3	3	3
	Total				5	5	5	5	5

Item			Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of outside Audit & Supervisory Board Members with expertise in finance and accounting*			Non-consolidated	person	1	1	1	1	1
Number of Audit & Supervisory Board Meetings				time	17	17	17	16	17
Ratio of female Directors and Audit & Supervisory Board*			Non-consolidated	%	13.3	18.8	18.8	18.8	18.8
Nomination and Remuneration Advisory Committee*	Internal directors	Male	Non-consolidated	person	2	2	2	2	2
		Female			0	0	0	0	0
		Total			2	2	2	2	2
	Independent outside directors	Male			2	2	2	1	2
		Female			1	1	1	2	1
		Total			3	3	3	3	3
	Total				5	5	5	5	5
Ratio of outside directors in the Nomination and Remuneration Advisory Committee*				%	60	60	60	60	60
Number of Nomination and Remuneration Advisory Committee meetings				time	11	7	7	9	8

* Figures at the end of June of each fiscal year.
Also, at the 157th Ordinary General Meeting of Shareholders held in June 2025, the transition to a Company with an Audit & Supervisory Committee from a Company with an Audit & Supervisory Board was resolved. We have 10 Directors excluding Directors who are Audit & Supervisory Committee Members (including 5 Outside Directors) and 5 Audit & Supervisory Committee Members (including 3 Outside Audit & Supervisory Committee Members), after the meeting above.

Governance (Remuneration)

Item			Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Remuneration of Directors	Directors (Excluding outside directors)	Monthlyremuneration	Non-consolidated	million yen	470	380	427	442	435
		Bonus for Directors			-	513	537	397	287
		Stock options			-	-	-	-	-
		Restricted stock-based compensation			86	21	-	-	-
		Performance share unit-based stock compensation			36	65	91	107	110
		Restricted performance share unit-based remuneration			-	121	296	749	506
		Total			592	1,099	1,351	1,695	1338
	Outside directors	Monthly remuneration			87	95	104	107	114
		Total			87	95	104	107	114
Remuneration of Audit & Supervisory Board Members	Inside Audit & Supervisory Board Members	Monthly remuneration	Non-consolidated	million yen	87	87	87	91	98
	Outside Audit & Supervisory Board Members	Monthly remuneration			50	54	59	61	65

Item			Boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Audit fees(KPMG AZSA LLC)	Fees for auditing services	Non-consolidated	—	million yen	508	504	521	525	546
		Consolidated			529	489	495	530	642
		Total			1,037	993	1,016	1,055	1188
	Fees for non-auditing services	Non-consolidated			11	26	20	16	19
		Consolidated			62	55	105	76	12
		Total			73	81	125	92	31

Governance (Compliance)

Item		Boundary	CY2020*1	FY2021	FY2022	FY2023	FY2024
Compliance-related seminars and other training programs	Number of times	Head Office or domestic/overseas corporations*2	≥150 times	≥140 times	≥160 times	≥100 times	≥130 times
	Number of participants		Total of ≥ 19,890 person	Total of ≥ 20,990 person	Total of ≥ 29,580 person	Total of ≥ 13,580 person	Total of ≥ 14,530 person
Of the above, seminars and other training programs related to anti-bribery and anti-corruption	Number of times		≥70 times	≥50 times	≥70 times	≥40 times	≥10 times
	Number of participants		Total of ≥ 10,800 person	Total of ≥ 5,450 person	Total of ≥ 10,240 person	Total of ≥ 4,600 person	Total of ≥ 6,600 person

*1 Figures from January to December of each year

*2 Including training programs conductedby Sumitomo Corporation or its regional offices for business-linesubsidiaries in Japan or overseas.

Disclosure based on IBC Stakeholder Capitalism Metrics

Disclosure based on IBC Stakeholder Capitalism Metrics

Overview

In January 2021, Sumitomo Corporation supported and signed the Stakeholder Capitalism Metrics, a standard for non-financial information disclosure published by the International Business Council (IBC) of the World Economic Forum. Stakeholder Capitalism Metrics is a set of universal and comparable disclosures consisting of 21 core metrics and 34 expanded metrics focused on people, planet, prosperity and governance. While utilizing this Metrics, we will further expand the disclosure of nonfinancial information to our stakeholders. In FY2024, our disclosure focuses on the Metrics that are of high importance to the Company.

Principle of Governance

: Core Metric : Expanded Metric

Theme	Metric	Response
Governing Purpose	**Setting purpose** The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Sumitomo Corporation believes that establishing and maintaining better governance and pursuing its business activities will help to grow and develop sustainably. In addition, such efforts will help Sumitomo Corporation to enhance its corporate value over the mid-to-long term and to fulfill its social mission as a corporation. Sumitomo Corporation believes that this will also serve the interest of its shareholders and all other stakeholders, including clients, employees, and local communities, and Sumitomo Corporation plans to maintain unstinting efforts to improve its governance further in future. This is mentioned in Section 2.2 of "Sumitomo Corporation Corporate Governance Principles ".

Theme	Metric	Response
Governing Purpose	**Purpose-led management** How the company's stated purpose is embedded in company strategies, policies and goals.	The mission of Sumitomo Corporation is to support all our stakeholders, including shareholders, clients, local communities and employees, in their endeavors to achieve prosperity and realize their dreams through our sound business activities. To fulfill this mission, we have established and disclosed management principles and policies including Environmental Policy, Sumitomo Corporation Group Compliance Policy, Sumitomo Corporation Group Anti-Corruption Policy, CSR Action Guidelines for Supply Chain Management, Policies on Climate Change Issues, and Sumitomo Corporation Group's Human Rights Policy. In addition, to pursue the sustainability of our company and society in accordance with our corporate mission, we have been working to enhance the sustainability management since 2020. As part of the efforts, we identified the Key Social Issues and set mid-and long-term goals for each of the Key Social Issue. In 2024, the Material Issues and the Key Social Issues are integrated, and the mid-and long-term goals are updated. As we strive to solve the social issues through our business, we will disclose the progress in our website. For more information on the detail and progress of the Material Issues and their mid- and long-term goals, please see here.
Quality of Governing Body	**Governance body composition** Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	We disclose the composition of the highest governance body (Board of Directors (Audit & Supervisory Board Member system)*), and its members (Directors: 6 internal, 5 external (of which, 2 female members), Audit & Supervisory Board Members: 2 internal, 3 external (of which, 1 female member) on Governance-related data. We also disclose the information on our Corporate Governance Report, Integrated Report, "Sumitomo Corporation Corporate Governance Principles" as well as in the Notice of Convocation for our Ordinary General Meeting of Shareholders. Regarding the number of each individual's other significant positions and the nature of commitments, Sumitomo Corporation discloses the status of main duties, in accordance with laws and regulations, in the business report section in the Notice of Convocation as well as other reference documents for the Ordinary General Meeting of Shareholders. * On June 20th 2025, we transitioned to a Company with an Audit & Supervisory Committee.

<table>
<tr><th>Theme</th><th>Metric</th><th>Response</th></tr>
<tr><td rowspan="2">Quality of Governing Body</td><td>Progress against strategic milestones
Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.</td><td>Sumitomo Corporation sets quantitative and qualitative management targets in its mid-term management plan and makes efforts to achieve the targets through a thorough plan-do-check-act (PDCA) cycle. In the mid-term management plan "SHIFT 2023", which has started in FY2021, we are also monitoring the social and environmental aspects of our business based on the six Key Social Issues that were identified in FY2020 as well as their mid-and long-term goals and annual action plans. We have been monitoring the progress and we have started disclosing them since FY2022. In 2024, the Material Issues and the Key Social Issues are integrated, and the mid-and long-term goals are updated. For more information on the detail and progress of the Material Issues and their mid- and long-term goals, please see here.</td></tr>
<tr><td>Remuneration
1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value.
2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:
a. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares
b. Sign-on bonuses or recruitment incentive payments
c. Termination payments
d. Clawbacks
e. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees</td><td>1.
Executive remuneration plan:
Remuneration of Executive Directors and Executive Officers consists of Monthly remuneration, Performance linked bonus and Restricted performance share unit-based remuneration.

Remuneration standards and remuneration composition ratios(FY2025):
We have set competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human capital strategy. We have set the ratio of valuable remuneration accounted for by restricted performance share unit-based remuneration to create the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is concerned with the Company's stock price and with a focus on sharing value with the shareholders.

The renumeration breakdown for the Representative Director, President and Chief Executive Officer is:

Fixed remuneration (monthly remuneration) Total 27%

Variable remuneration Total 73% (consists of performance-linked bonus (33%) and Restricted performance share unit-based remuneration(40%). Please note this breakdown is calculated based on the rate of achievement of business results, the stock price growth rate, and the results on non-financial indicators all being 100%. The composition ratios for each type of remuneration vary according to changes in these rates.</td></tr>
</table>

Theme	Metric	Response
Quality of Governing Body		2. **Remuneration policy 1: Performance-linked bonus** Each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total amount of performance-linked bonuses to be paid according to the rate of achievement of this target business result. The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total amount of performance-linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results. If business results fall outside this range, the total amount of performance-linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee. The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year. Each officer is evaluated on the basis of both financial indicators (achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (such as individual Strategic Business Units' achievement of KPIs and KAIs, and progress in addressing important company-wide issues) so that they can become more aware regarding their commitment to management strategy and results. The ratio of financial indicators to non-financial indicators in personal evaluation is 50:50, and of evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through digital transformation (DX), enhancement of sustainability management, and promotion of Diversity, Equity & Inclusion.

Theme	Metric	Response
Quality of Governing Body		**Remuneration policy 2: Restricted Performance Share Unit-Based Remuneration** With the aim of promoting efforts to increase the Group's corporate value over the medium to long term and pursue business management that ensures a focus on sharing value with the shareholders, the number of the Company's common shares (restricted) to be provided is calculated according to the Company's stock growth rate (ratio of the Company's stock price growth to the growth rate of the TOPIX (Tokyo Stock Exchange Stock Price Index)) during the three-year evaluation period. Evaluation based on non-financial indicators (measures to tackle climate change, promotion of women's empowerment, and employee engagement) is used to calculate the number of the Company's common shares to be granted as restricted shares. In this way the Company aims to enable increased awareness of its commitment to the enhancement of sustainability management by linking non-financial indicators (related to environment and/or society) more closely to stock-based remuneration and further promoting efforts to address its Key Social Issues. To enable a shared focus on shareholder value over the medium to long term, the restriction period will be from the day the shares are provided until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.
Stakeholder Engagement	**Material issues impacting stakeholders** A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	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. In 2017, we identified Material Issues for achieving sustainable growth with society. By constantly clarifying the relationship between our strategy and business with the Material Issues, we have been conducting sustainability management with the awareness that our business activities will contribute to solving social issues.

Theme	Metric	Response
Stakeholder Engagement		In 2020, to further enhance the sustainability management and clarify our role in realizing a sustainable society, we have identified six Key Social Issues that we address through our business and corporate activities. The six Key Social Issues are: “Mitigation of climate change,” “Circular economy,” “Respect for human rights,” “Development of local society and economy,” “Improvement of living standard” and “Quality education”. In addition, we have set long-term goals for each issue and medium-term goals that indicate more specific initiative. For more information on the progress towards the each goals, please see here. When identifying the six Key Social Issues, we launched an internal project team, which first created a long list of global social issues based on the UN Sustainable Development Goals. Also, considering the characteristics of our business activities as an integrated general trading company, the project team came up with hypotheses related to important issues deeply involving the Group and picked out several issues from the long list. At the same time, they conducted surveys and interviews with the general managers of each business unit and division concerning opportunities and risks related to the social issues within the strategies and business activities of each organization based on the long list. They then analyzed the relationship of our businesses to the each issue. Finally, after comparing their hypotheses with the survey results and organizing them into categories, the team identified the six Key Social Issues. The Key Social Issues and the long-term goals were decided in June 2020 after resolutions by the Management Council and the Board of Directors. We also decided on the medium-term goals in May 2021. In this series of processes, opinions were exchanged with experts on the environment and human rights, institutional investors, international organizations, and others to verify that the expectations of our various stakeholders have been properly reflected.

Theme	Metric	Response
Ethical Behavior	**Anti-corruption** 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. 2. a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b. Total number and nature of incidents of corruption confirmed during the current year, related to this year. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	1. Sumitomo Corporation and its Group companies have conducted more than 10 seminars and other training programs on anti-corruption and more than 6,600 officers/employees participated in FY2024. 2. No incident was confirmed in FY2024 in which the Company has been fined nor convicted of bribery of public officials. 3. Sumitomo Corporation Group implements strict measures to prevent bribery, inappropriate payments, and all other forms of corruption. Specifically, we have established the "Rules for Prevention of Bribery of Public Officials", which regulate the provision of entertainment, gifts, invitations and donations to domestic and foreign public officials as well as the selection of service providers (such as agents, consultants or other business intermediaries). We extend these rules to overseas offices and Group companies and we also offer ongoing employee education and work constantly to prevent bribery and corruption. Our "Sumitomo Corporation Group Anti-Corruption Policy", which summarizes the Group's principles and policies outlined above, sets out the Group's basic principles in this area and explains our anti-bribery system and our initiatives for the prevention of bribery to our business partners including service providers, and request their understanding and cooperation.

Theme	Metric	Response
Ethical Behavior	**Protected ethics advice and reporting mechanisms** A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Our internal rules stipulate "Immediate Report", which means that any issues or potential issues in relation to compliance must be reported immediately to their line manager or to the relevant department of the Corporate Group. Such issues include not only the violation of antitrust/competition laws or anti-bribery/corruption laws but also workplace misconduct, falsification of accounts, or harassment. If reporting through the usual reporting line is difficult for some reason, we maintain a "Speak-Up System" available to officers and employees to report the issue to the Chief Compliance Officer through an internal or external hotline. In addition, we have developed and launched the group-based Speak-Up System, which enables officers and employees of group companies both in and outside Japan to report compliance-related issues. For more details, please see our website. Also, appropriate departments respond to advice and reports received from external stakeholders through the Contact Form on our website, etc.
	Monetary losses from unethical behavior Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or violations of other related industry laws or regulations.	In FY2024, there was no incident (monetary loss) at Sumitomo Corporation.
	Alignment of strategy and policies to lobbying The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions and its purpose, stated policies, goals or other public positions.	In the course of our global and diverse business activities, we participate in various organizations and meetings, including Keidanren (Japan Business Federation), to communicate our opinions. An example of our participation in the public sector is the study of GX (Green Transformation) League established by the Ministry of Economy, Trade and Industry (METI) in April 2022 for the purpose of realizing a carbon-neutral society. Through the GX League, we will communicate our opinions to encourage the creation of new businesses that will help make society carbon neutral. In addition, in March 2024, we joined "Circular Partners (CPs)" led by the Ministry of Economy, Trade and Industry (METI). We engage in consideration on necessary measures to realize Circular Economy. The amount of our political contribution in FY2024 is 28 million yen.

Theme	Metric	Response
Risk and Opportunity Oversight	**Integrating risk and opportunity into business process** Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	We always attach great importance to these social issues, and in order to appropriately control the social and environmental impact of the entire Group's business activities, establish policies and publicize and thoroughly enforce them within the Group. We have established a company-wide framework such as assessing of social and environmental risks and opportunities at the beginning of individual businesses and regular monitoring of the social and environmental impact of the Group's entire business activities. Specifically, we check that the business is soundly managed and does not have severe impacts on stakeholders through environmental assessment by an environmental consultant and assessment of human rights and labor issues by a law firm, considering the characteristics of each business. In addition, through the review process of the project, sustainability-related risks and opportunities are identified and assessed, and measures for value creation as well as prevention of loss of value are discussed and reviewed considering the identified and assessed risks and opportunities. As follow-up to the investment, through dialogue with group companies and internal audit process, each investee's status of the comprehensive management of various risks including social and environmental risks are monitored regularly. If an issue arises, remedial action is taken in line with the specifics of the case. When a case relating to the impact of the Group's business activities is referred to by a local community, a non-governmental organization (NGO), or another stakeholder, we ascertain the facts and engage in dialogue and discussion toward improvement. In addition to risk management related to individual businesses, we have also put in place a system that enables us to assess the status of sustainability-related risks faced by the entire Group, and to utilize this information in making strategic management decisions. Specifically, in addition to monitoring and reporting to the Board of Directors on the progress of actions based on the mid- and long-term goals mentioned above, the Group's overall management status is regularly reviewed based on the medium-term management plan to organize the company-wide status of sustainability-related and other types of risks and to discuss future management and response policies. The Management Council and the Board of Directors discuss the future management and handling policies of sustainability-related and other types of risks, and reflect the results in the consideration of specific measures in the medium-term management plan.

Theme	Metric	Response
Risk and Opportunity Oversight	**Economic, environmental and social topics in capital allocation framework** How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	At Sumitomo Corporation, the discussion of management resource allocation is done at the biannual Strategy Meeting where the top management participates. The decision is finalized at the Management Council, which is the highest executive-level decision-making body and is executed under the supervision of the Board of Directors. When setting the areas of business growth fields, which are the focus points of the resource allocation in each business areas, we also consider opportunities and risks in each business areas that arise from social issues. When discussing a new investment opportunity in individual business, we consider not only profitability, but also environmental and social impacts and/or risks based on the uniqueness of the business. If necessary, we hire an external expert and conduct a thorough due diligence on the environmental and social aspects (i.e. pollution, biodiversity, use of water and other limited natural resources, respect of human rights, occupational health and safety, other workplace environment, impact on local communities etc.) and make the final investment decision. Also, we continuously monitor the environmental and social impact in the post-investment process as well. In addition, policies and initiatives pertaining to non-financial aspects that are essential for promoting our sustainability management are discussed at the Corporate Sustainability Committee and then proposed at the Management Council. All of these processes are carried out under the supervision of the Management Council as well as the Board of Directors. For more information on our risk management, please see here.

Planet

: Core Metric : Expanded Metric

Theme	Metric	Response
Climate Change	**Greenhouse gas (GHG) emissions** For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	For details on the scope of data reporting and CO_2 emissions, please refer to Environmental-related Data. Also, please see here for our CO_2 emission reduction initiatives that we announced as the mid-term goal for climate change mitigation.
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement –to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C –and to achieve net-zero emissions before 2050.	Sumitomo Corporation has been supporting the final recommendations of the TCFD since March 2019. We have also been disclosing information since 2020 on our climate change-related governance, strategy, risk management, targets and KPIs in compliance with the framework recommended by the TCFD. For more information, please see here. Also, we have identified "Overcome climate change" as one of the Material Issues which are medium- to long-term commitment for the Group to take one step further toward addressing key social challenges that we must undertake. As a long-term goal, the Group will aim to make our businesses carbon neutral by 2050, and also will aim to achieve the mid-term goal, which is to reduce CO_2 emissions by 50% or more by 2035 compared with 2019 levels.

Theme	Metric	Response
Climate Change	**Paris-aligned GHG emissions targets** Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement –to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	As stated above, we have the long-term goal of seeking to become carbon neutral in the Group's business by 2050 and we will also contribute to the carbon neutralization of society. Also, we have set the mid-term goal of reducing the CO_2 emissions by 50% or more by 2035 compared with 2019 levels. For specific action plans and initiatives, please see here.
Nature Loss	**Land use and ecological sensitivity** Report for operations (if applicable) and full supply chain (if material): – Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities). –Year-on-year change in the area of land used for the production of basic plant, animal or mineral commodities. Note: Supply-chain figures can initially be estimated where necessary based on the mass of each commodity used and the average mass produced per unit of land in different sourcing locations. –Percentage of land area in point 1 above or of total plant, animal and mineral commodity inputs by mass or cost, covered by a sustainability certification standard or formalized sustainable management programme. Disclose the certification standards or description of sustainable management programmes along with the percentage of total land area, mass or cost covered by each certification standard/programme.	In the Ambatovy Project, a company in the Republic of Madagascar in which we have an equity stake, we are developing mines. We run an offset program in line with guidance from the Business and Biodiversity Offsets Program (BBOP) and IFC Performance Standard 6, and as an initiative to mitigate the impact of development on ecosystems by regenerating or creating other ecosystems. As a specific example, we have offset our impacts across 14,000 hectares of land, or nine times the area of our business, including conserving 6,800 hectares of forested land that is similar to the land being developed.

Theme	Metric	Response
Nature Loss	**Land use and ecological sensitivity** Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Sumitomo Corporation joined the TNFD Forum in June 2022 and registered as a TNFD early adopter in September 2023. We also made disclosures based on the TNFD recommendations in FY2025. For the details of the disclosure, please see here.
Fresh water availability	**Water consumption and withdrawal in water-stressed areas** Report for operations where material: mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	For details on our Group's water consumption and water withdrawal from water-stressed areas*, please refer to the Environmental-related Data. * Water-stressed areas: The regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.

People

: Core Metric : Expanded Metric

Theme	Metric	Response
Dignity and Equality	**Diversity and inclusion (%)** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	The Sumitomo Corporation Group has a diverse workforce made up of people who have different lifestyles and values in addition to differences in gender and nationality. It is essential to utilize the rich mix of "knowledge" held by diverse people as a source of competitiveness in order to survive and stay ahead in complex business domains. We will focus on the diversity of our workforce on a global basis, particularly on the strengths of individuals, and bring these strengths together in combination. By doing so, we will drive the progress of our growth strategies. Gender ratio at Sumitomo Corporation (non-consolidated) as of March 2025: Male: 3,636 /Female: 1,327 Percentage by age group at Sumitomo Corporation (non-consolidated) as of March 2025:
	Pay equality (%) Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	There is no gap in basic salary and remuneration in each employee category such as gender and ethnicity etc.at Sumitomo Corporation (non-consolidated). Because we have adopted a job grading system, there are no major salary gaps between people doing equivalent jobs.

Age group	Number of employees	%
20s	763	15.4%
30s	1,397	28.1%
40s	1,164	23.5%
50s	1,307	26.3%
60s	329	6.6%
70s	3	0.1%
Total	4,963	100%

<table>
<tr><th>Theme</th><th>Metric</th><th>Response</th></tr>
<tr><td rowspan="2">Dignity and Equality</td><td>Wage level (%)
1. Ratios of standard entry level wage by gender compared to local minimum wage.
2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</td><td>Sumitomo Corporation Group sets salary level that exceeds minimum wage level in each region. The wage level at Sumitomo Corporation (non-consolidated) in FY2024 is as follows:
1. The standard entry level wage exceeds the minimum wage level in Japan and there is no gap between gender.
New graduate with master's degree or higher: 340,000 JPY/month
New graduate with bachelor's degree: 305,000 JPY/month
2. The ratio of the annual total compensation of the President and CEO to the median of the annual total compensation of all its employees at Sumitomo Corporation (non-consolidated), except the President and CEO, is 319 : 17.
(President and CEO: 319 mil. JPY, Median of the annual total compensation of all employees at Sumitomo Corporation: 17 mil. JPY)</td></tr>
<tr><td>Risk for incidents of child, forced or compulsory labor
An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to:
a. type of operation (such as manufacturing plant) and type of supplier; and
b. countries or geographic areas with operations and suppliers considered at risk.</td><td>In accordance with the Sumitomo Corporation Group's Human Rights Policy, Sumitomo Corporation began human rights due diligence in 2020. We identified 8 salient human rights issues, such as "forced labor and child labor", that should be addressed with priority so that we can assess impacts concerning human rights throughout the Group.

In line with the results of our FY2020 desktop research, we have conducted human rights due diligence across all of our business operations from FY2021 to FY2024. We identified food and textile related businesses as areas with high risks of forced and child labor in the supply chain, and we confirmed the status of risk management in both business areas by conducting internal interviews. Specifically, in the textile business, CSR audits are being conducted based on standards of some of our customers, at factories where we manage or outsource. Also, the food wholesale business properly manages to minimize the risk of forced and child labor by conducting supplier questionnaire to suppliers associated with high-risk countries or goods, based on the list of TVPRA (Trafficking Victims Protection Reauthorization Act) published by the US Bureau of International Labor Affairs (ILAB).

For more information on our human rights related initiatives, please see here.</td></tr>
</table>

<table>
<tr><th>Theme</th><th>Metric</th><th>Response</th></tr>
<tr><td rowspan="2">Dignity and Equality</td><td>Freedom of association and collective bargaining at risk (%)
1. Percentage of active workforce covered under collective bargaining agreements.
2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.</td><td>As of March 2025, the number of members of the Sumitomo Corporation Labor Union is 3,242, accounting for 66.4% of all employees of Sumitomo Corporation (non-consolidated).

For more information on our human rights related initiatives, please see here.</td></tr>
<tr><td>Human rights review, grievance impact & modern slavery (#, %)
1. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.
2. Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.
3. Number and percentage of operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to:
a. type of operation (such as manufacturing plant) and type of supplier; and
b. countries or geographic areas with operations and suppliers considered at risk.</td><td>1. In accordance with the Sumitomo Corporation Group's Human Rights Policy, Sumitomo Corporation began human rights due diligence in 2020. The Sumitomo Corporation Group's business activities extend to various industries and regions. We started by conducting a desktop survey to confirm the Group's businesses and their value chains, and developed a hypothesis on businesses that may be exposed to high risks and human rights issues that are closely related to the value chains in those businesses. We then exchanged opinions with stakeholders including outside experts and also hired outside experts and conducted internal interviews on 12 business teams to verify the hypothesis. Through these consultations, we classified the human rights issues according to the likelihood of these issues emerging in the Group's business and also the degree of severity in case they emerge. As a result, we identified 8* salient human rights issues within the Sumitomo Corporation Group.
*The 8 salient issues: 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, personal information and privacy. Please see our website for details on the human rights due diligence process.

2. We investigate the issues reported by the stakeholders, and if corrective action is necessary, we consider and implement appropriate measures.

3. Please refer to our comments in the section "Risk for incidents of child, forced or compulsory labor".</td></tr>
</table>

Theme	Metric	Response
Health and Well-being	**Health and safety (%)** 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	The coverage of the following data is Sumitomo Corporation (non-consolidated): 1. Work-related fatalities: FY2022: 0, FY2023: 0, FY2024: 0 High-consequence work-related injuries (excl. fatalities): FY2022: 0, FY2023: 0, FY2024: 0 Recordable work-related injuries: FY2022: 2, FY2023: 5, FY2024: 2 We do not disclose the details (i.e. types of work-related injury, number of hours worked). 2. Sumitomo Corporation (SC) promotes the following medical and healthcare services: a. In-house clinic (internal medicine and dentistry) : All officers and employees of SC have access to the clinic during work hours. Support is provided from the perspective of achieving work/health balance where, in addition to receiving periodic health checkups, people requiring follow-up treatment can consult specialists, people with physical or mental health issues have interviews with occupational health physicians within the clinic. b. SCG Counseling Center, Massage room "Koriton": All employees of SC Group have access to the services during work hours. c. Advanced Healthcare Expense Coverage Program：This covers conditions that give rise to substantial economic burdens as a result of treatment not covered by insurance and the program is available to all employees of SC. By broadly covering treatment not covered by health insurance, the program can support employees to receive treatment with reassurance and return to work at the earliest possible time or continue working while receiving treatment. d. Women's Health consultation service: Since the incidence and death rates of breast cancer and uterine cancer have been increasing among younger women in recent years, we have set up a consultation service for women's specific health issues to strengthen the dissemination of such information and to introduce them to medical institutions that offer gynecological exams as a stand-alone service. e. We are also promoting and strengthening various health management measures through a collaborative health program with the Sumitomo Corporation Corporate Health Insurance Society.

Theme	Metric	Response
Health and Well-being	**Monetized impacts of work-related incidents on organization (#, $)** By multiplying the number and type of occupational incidents by the direct costs for employees, employers per incident (including actions and/or fines from regulators, property damage, healthcare costs, compensation costs to employees).	There were two occupational incidents at Sumitomo Corporation (non-consolidated) in FY2024, but there was no financial impact.
Skills for the Future	**Training provided (#, $)** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	The following data covers training programs for Sumitomo Corporation (non-consolidated) which were conducted by HR in FY2024. The trainings are not restricted by gender. Number of participants: 4,963 employees Total number of hours of training provided: 142,460 hours (including 76,351 hours by HR.) ※ Including LinkedIn Learning (e-learning platform) Total expenditure: 1.425 bil. JPY Average training hours per employee: 28.7 hours Development expenditure per employee: 290,000 JPY
	Monetized impacts of training – Increased earning capacity as a result of training intervention (%, $) 1. Investment in training as a percentage (%) of payroll. 2. Effectiveness of the training and development through increased revenue, productivity gains, employee engagement and/or internal hire rates.	The following data covers training programs for Sumitomo Corporation (non-consolidated) which were conducted by HR in FY2024. 1. Investment in training as a percentage (%) of payroll: 2.0% (training expenditure 1.425 bil. JPY/ total pay roll of 72.896 bil. JPY) 2. In the Engagement Survey conducted in 2024, scores on "Education and Training" were above the global average, due in part to training, contributing to higher employee engagement.

Prosperity

: Core Metric : Expanded Metric

Theme	Metric	Response
Employment and Wealth Generation	**Absolute number and rate of employment** Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	The data for Sumitomo Corporation (non-consolidated) is as follows: **1-1. Absolute number of new graduate hires in FY2024** 〈by gender〉Male: 62, Female: 36 (Male 63%, Female37%) 〈by age group〉20s: 98 **1-2. Absolute number of mid-career hires in FY2024** 〈by gender〉Male: 46, Female: 18 (Male 71.9%, Female 28.1%) 〈by age group〉20s: 4, 30s: 40, 40s: 19, 50s: 1 (20s:6.3%, 30s: 62.5%, 40s: 29.7%, 50s:1.6%) **2. Average Years of Service per Person/Turnover rate in FY2024 ※Please see Social-related data for the historical data.** 〈by gender〉Male: 18 years 10 months/1.9%, Female 16 years 6 months/ 2.8%
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: a. Revenues b. Operating costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government f. Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	1. For items a through e, please refer to p.52 and onwards of the Annual Financial Report for FY2024 . For item f, please refer to the "Expenditure for social contribution activities" listed on Social-related data. 2. We do not currently conduct this assessment.

Theme	Metric	Response
Employment and Wealth Generation	**Financial investment contribution** 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	1. In our new Medium-Term Management Plan "Medium-Term Management Plan 2026" which covers FY2024 through FY2026, we plan to make investments totaling 1,800 billion yen during the period of the new Medium-Term Management Plan, and we will maintain investment discipline and focus on businesses with strengths and competitive advantages in growth areas. For further details, please refer to [Management Policies, Business Environment and Management Challenges] on p.1 of the Annual Financial Report for FY2024 . 2. Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term. The annual dividend for FY2024 was 130 yen per share, in line with the dividend forecast announced at the time of the announcement of the third quarter financial results for FY2024 (February 4, 2025). As a result, the dividend payment for FY2024 was 157,299 million yen (including the amount of share repurchases: 207,308 million yen). Our shareholder return policy in the Medium-Term Management Plan 2026 and thereafter are as follows: ・Pay dividends and repurchase our shares in a flexible and agile manner with a total payout ratio of 40% or higher ・Further improve dividend stability and increase dividends in line with profit growth through progressive dividend payments* Based on this policy, the annual dividends for FY2025 are planned to be 140 yen per share, an increase of 5 yen from the previous fiscal year. In addition, on May 1, 2025, we decided to repurchase shares (between May 2, 2025 and March 31, 2026) up to a maximum value of 80 billion yen. *Dividends to be maintained or increased

Theme	Metric	Response
Employment and Wealth Generation	**Infrastructure investments and services supported** Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	As we set a new theme “Build resilient and prosperous society” as one of the Material Issues which are updated in FY2024. Under this theme, we aim to create a virtuous circle in which all people can enjoy physically and mentally enriched lives, and we can grow and develop together with local communities by stepping ahead in dealing with the needs of people in various countries and regions. As the needs of people are different by country, area, situation and features of people, it is essential to approach both “Develop safe, comfortable and resilient industrial and social infrastructure” and “Provide advanced services and functions that further enrich the lives of people.” The infrastructure business including power generation, water production, transportation and communication, which we provide on a global scale, contributes to the "Build resilient and prosperous society". We will continue our efforts to contribute to the development of local society and economy as well as improving people's living standards through our sound business activities. While society seeks for sustainable development, the expectation for infrastructure business has also shifted. To capture progress in global climate change mitigation, we will expand our renewable energy business and also develop and deploy carbon free energy such as hydrogen and ammonium business, which are essential in building decarbonization system and sustainable energy cycle required to realize a carbon neutral society. In addition, we will expand new power and energy services (i.e. large-scale storage batteries business, battery reuse business, power energy platform business, hybrid energy service business etc.). Furthermore, not only developing infrastructure as business, but we also have been providing infrastructure as part of our social contribution initiative. For example, as part of the mining business, roads, bridges, water supplies, hospitals, and schools were constructed for the local community. We disclose the impact to environment and society on Environmental-related data and Social-related data.

Theme	Metric	Response
Innovation of Better Products and Services	**Total R&D expenses ($)** Total costs related to research and development.	The total R&D cost for Sumitomo Corporation Group in FY2024 is 5,776 mil. JPY.
Community and Social Vitality	**Total tax paid** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Please see the Consolidated Statement of Cash Flows, which is listed on p.59 and 60 of the Annual Financial Report for FY2024, for information on income tax paid. We do not currently analyze the total taxes paid except for the income tax.
	Total Social Investment ($) Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	The number of employees who used the volunteer leave program was 13 in FY2024. For details, please refer to Social Contribution Activities and Social-related data.

Environment

Environment

Environmental Management

Sumitomo Corporation Group Environmental Policy

Throughout its 400-year history, the Sumitomo Group has pursued industrial development in harmony with local communities and the natural environment. Based on this foundation, the Sumitomo Corporation Group pursues business activities in such a way as to promote environmental conservation. Recognizing that various initiatives such as creating a low-carbon society that alleviates climate change, preserving biodiversity and the global environment, using energy, water and resources sustainably, preventing pollution and controlling waste emissions are the most important and long-term concerns that all individuals and organizations must address, we have established our Environmental Policy as detailed below.

Sharing this policy, Sumitomo Corporation Group companies are committed to reducing the environmental impacts of their business activities as well as to improving the environment through their business activities, based on the ISO 14001 environment management system.

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 both 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 environmental Basic Policy.

1 **Basic stance with regard to the environment:**

To place great importance on protecting the global environment as a good corporate citizen in accordance with the Sumitomo Corporation's Activity Guidelines.

2 **Compliance with environmental legislation:**

To strictly observe legislation related to environmental matters not only in Japan but also overseas, and to abide by any agreements made.

3 **Caring for the natural environment:**

To place great importance on preserving the environment, including the natural ecosystem and biodiversity.

4 **Response to climate change:**

To place great importance on mitigating climate change and adapting to its impact.

5 **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.

6 **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.

7 **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.

8 **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.

9 **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.

Targets

Sumitomo Corporation Group promotes activities that are beneficial to the environmental improvement and reduce environmental negative impact.

At Sumitomo Corporation, EMS Leader identifies the environmental aspects of each department and evaluates their impacts, and identifies risks and opportunities considering relevant compliance obligations. Based on the results, EMS Promoters specify significant environmental aspects, risks and opportunities for each Business Group and the Corporate Sustainability Department reviews them for the entire company. At the Corporate Sustainability Committee, we review the achievement of the environmental targets and decide new objectives for the following year.

Environmental Objectives (Sumitomo Corporation)

Environmental Objectives	
Comply with environmental laws and regulations	• Strive to prevent violations of environmental regulations such as Act on Waste Management and Public Cleaning
Pursue environmentally-sound projects	• Build a sustainable energy system and carbon cycle with an overview of supply chains (For example, expansion of renewable energy businesses) • Pursue new business by developing products, services, and scheme that encourage the shift toward Nature Positive and a circular economy • Reduce risk of the entire supply chain, including sustainable procurement of major natural resources
Manage and reduce environmental burden	• Assess environmental impact in relevant supply chains and work to alleviate such impact by reducing the Group's CO_2 emissions 50% or more by 2035 (compared to 2019) • Analyze nature-related risks and opportunities in each business
Promote environmental education and communication related to environmental issues	• Hold events, including awareness-raising seminars related to environmental conservation • Expand disclosure of non-financial information

Environmental Data Targets and Results (Non-consolidated in Japan)

To achieve carbon neutrality and a circular economy by 2050, Sumitomo Corporation set the following long-term goals for electricity consumption, water withdrawal and waste emissions in FY2017.

Each intensity and total amount are for its head office, regional offices, branches, sub-branches in Japan.

	Target
Electricity Consumption	To reduce electricity consumption per square meter by an average of at least 1% annually and at least 20% until FY2035 both from base year of FY2013.
Water Withdrawal	To reduce water withdrawal per employee by an average of at least 1% annually from base year of FY2010.
Waste Emissions	To reduce waste emissions per employee by an average of at least 1% annually from base year of FY2010.

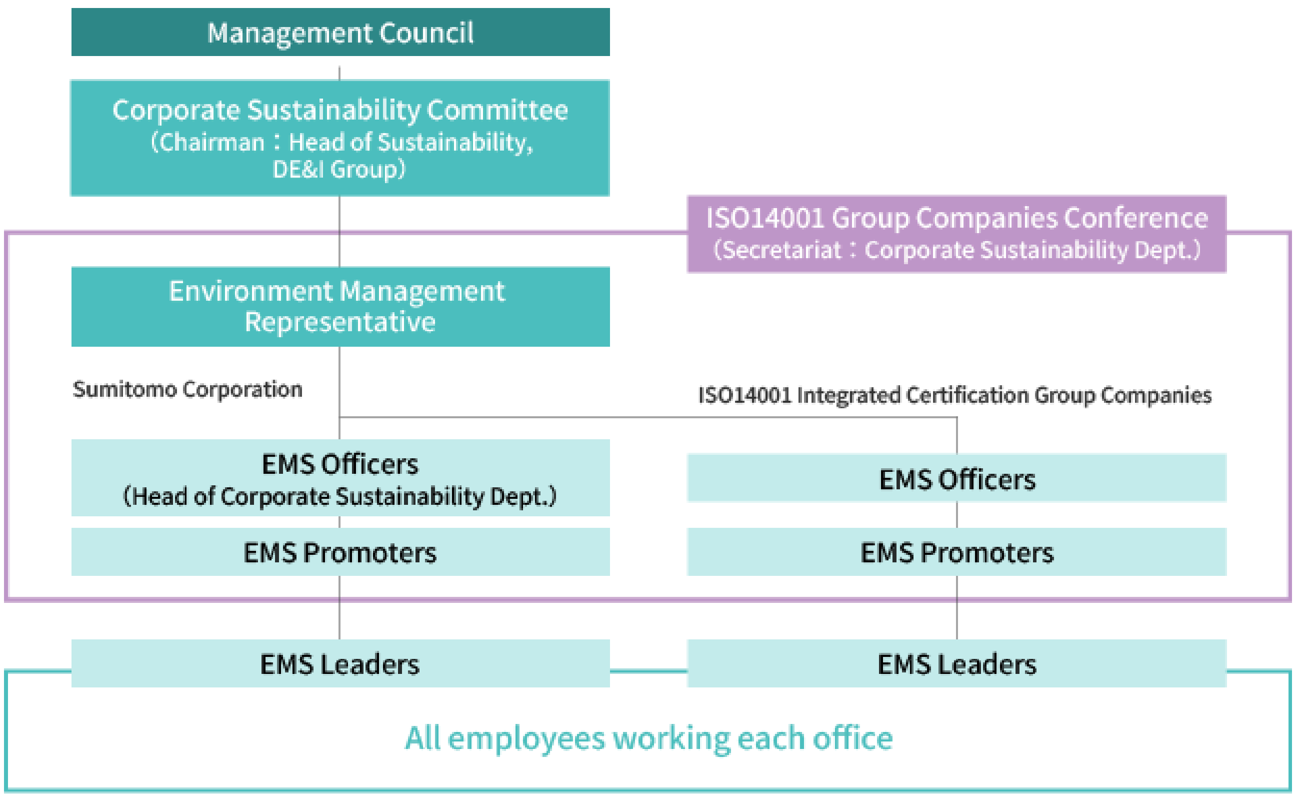
The targets converted from long-term goals, results of FY2024, targets of FY2025 are as follows.

Index		Results of the Base year	Targets of FY2024	Results of FY2024	Targets of FY2025
Electricity Consumption	**Consumption (MWh)**	7,859	5,285	3,569	5,239
	Intensity (MWh/m^2)	0.1079	0.0966	0.0652	0.0956
Water Withdrawal	**Withdrawal (m^3)**	32,191	23,098	9,620	22,867
	Intensity (m^3/employee)	6.93	6.02	2.51	5.96
Waste Emissions	**Emissions (t)**	508	365	85	361
	Intensity (t/employee)	0.109	0.095	0.022	0.094

Management system

Environmental Management Structure

The Sumitomo Corporation Group has established, based on the environmental policy, the environmental management structure with the Corporate Sustainability Committee as the center of the structure. As for the ISO 14001 environmental management system (EMS), since Tokyo and Osaka offices of Sumitomo Corporation acquired the Group's first ISO 14001 certification in June 1999, the coverage of the system has been extended continuously. About 20,000 employees in domestic locations of Sumitomo Corporation and certain group companies participates in these environmental management activities. At the ISO 14001 Group Companies Conference, which consists of Sumitomo Corporation and ISO 14001 integrated certification group companies, we share the environmental activities, and report to Corporate Sustainability Committee if necessary. Depending on the importance of the subject, Corporate Sustainability Committee discusses and reports to the Management Council and the Board of Directors.



* EMS：Environmental Management System

ISO 14001 Integrated Certification Group Companies

(As of July 2025, Sumitomo Corporation and 24 group companies)

SUMITOMO CORPORATION KYUSHU CO., LTD.
SUMITOMO CORPORATION HOKKAIDO CO., LTD.
SUMITOMO CORPORATION TOHOKU CO., LTD.
METAL ONE SUMISHO TUBULAR PRODUCTS CO., LTD.
SUMITOMO CORPORATION GLOBAL METALS CO., LTD.
SUMISHO AERO-SYSTEMS CORPORATION
SUMITOMO MITSUI AUTO SERVICE COMPANY, LIMITED
SMA SUPPORT CO., LTD.
SUMITOMO CORPORATION POWER & MOBILITY CO., LTD.
SUMITOMO SHOJI MACHINEX CO., LTD.
SUMISHO GLOBAL LOGISTICS CO., LTD.
SCSK CORPORATION
SCSK NEC DATA CENTER MANAGEMENT, LTD.
SUMISHO MONTBLANC CO., LTD.
SC FOODS CO., LTD.
CHIBA KYODO SILO CO., LTD.
SMB KENZAI CO., LTD.
S.C.BUILDING SERVICE., CO., LTD.
SUMISHO MATERIALS CORPORATION
SUMISHO METALEX CORPORATION
SUMITOMO SHOJI CHEMICALS CO., LTD.
SUMITRONICS CORPORATION
SUMMIT PHARMACEUTICALS INTERNATIONAL CORPORATION
SUMMIT AGRO INTERNATIONAL LTD.

ref) Percentage of Sumitomo Corporation group's sites covered by ISO14001

Percentage of sites covered by ISO14001

Initiatives

Internal Environmental Audit

Sumitomo Corporation conducts internal environmental audits on an annual basis to ensure the environmental management system of Sumitomo Corporation and group companies with ISO14001 integrated certification are properly functioning.

〈Audit Priority Items〉
(1) proper establishment of environmental targets,
(2) management of progress in implementing the environmental action plan,
(3) evaluation of compliance with legal requirements and
(4) implementation and enhancement of environmental training.

External Audit

In February 2025, the third-party audits were conducted by an independent auditing organization, Japan Quality Assurance Organization, for the renewal of the current ISO 14001 certification status. We received approval as a result of the audits.

ISO14001 Management System Certificate

Environmental Educational Activities

Sumitomo Corporation Group develops a variety of educational programs to help its employees engage in environmental conservation. We raise environmental awareness among all Group employees by organizing such programs as trainings on environmental laws and regulations as well as global environmental issues given by outside experts.

Theme	Summary	Number of Activities
Training on the ISO 14001 Environmental Management System (release of video)	The management principles, environmental contribution activities and the processes of an environmental management system in accordance with the ISO 14001 international standard.	All year round
Training for internal environmental audits	The basics and processes of internal environmental audits, through exercises, to be able to conduct audits effectively.	Twice a year
Trainings on industrial waste disposal	Practical knowledge, including responsibilities of industrial waste generators, contract criteria and proper disposal methods.	Twice a year
Trainings on environmental laws and regulations	The latest trends in environmental laws and regulations, basic knowledge on these, and points to note to comply with the laws and regulations.	Twice a year
Basic environmental education （e-learning）	Sumitomo Corporation Group’s environmental policy and its environmental management system.	once a year

Climate Change

Policies on Climate Change Issues

We put an importance on the international determinations stipulated in the Paris Agreement, and we set “Policies on Climate Change Issues” in order to contribute to achieve the carbon neutrality goal of society in aligned with the Agreement.
The Board of Directors adopted a resolution concerning the Group's policies on climate change issues in 2019 and we have been regularly reviewing our policies. In May 2024, in response to recent changes in the external environment, including climate change countermeasures and energy security, we have updated our equity generation capacity-based ratio target among the Group's climate-related targets. In addition, we have added a commitment to reduce indirect CO_2 emissions from general coal mines to zero by the end of 2020s, and to work on natural gas only in projects that contribute to the realization of a carbon neutral society.

Basic Policy

- Aim to make the Sumitomo Corporation Group carbon neutral in 2050*1.
  Develop technologies and business models for creating a sustainable energy cycle by reducing CO_2 emissions and achieving negative emissions*2 for society as a whole.
- In addition to reducing and absorbing CO_2 emissions from our business, we will contribute to the carbon neutralization of society through cooperative initiatives and recommendations made with business partners and public institutions.

Policy on Business Activities

- Promote renewable energy, efficient energy utilization and fuel conversion that contributes to reducing CO_2 emissions throughout society. We will also work to offer new energy management and mobility services utilizing renewable energy and also to materialize hydrogen technologies and applications.
- In the power generation business, we provide a stable supply of the energy, essential for the economic and industrial development of local communities. At the same time, we continuously shift management resources to renewables and other energy sources with low environmental burden in the power generation portfolio.
- Regarding the development of thermal power generation and fossil energy concession, we will work on the premise of carbon neutralization in 2050.
  - We will not be involved in any new coal-fired power generation business neither IPP (Independent Power Producer) nor EPC (Engineering, Procurement, Construction). For IPP business, we aim to reduce CO_2 emissions by 60% or more by 2035 (compared to 2019) and we will end all the coal-fired power generation business in the late 2040s.
  - We will not make any further investment in the thermal coal mining interest and aim to achieve zero production from thermal coal mines by the end of the 2020s. We will only undertake upstream gas development that contribute toward society's energy transition.

*1 The scope of business targeted for carbon neutralization is as follows
- Direct CO_2 emissions from Sumitomo Corporation and its subsidiaries, as well as indirect CO_2 emissions from the generation of energy used by each company (however, for power generation businesses, emissions from those affiliated companies under the equity method are also included)
- Indirect CO_2 emissions associated with the use of energy resources produced by fossil energy concession of Sumitomo Corporation Group, its subsidiaries, and affiliated companies under the equity method.

Carbon neutrality means net-zero CO_2 emissions that combine CO_2 emissions from our business and our contributions to CO_2 emission reduction.

*2 Negative emission refers to the absorption, capturing, and removal of CO_2 emitted in the past and accumulated in the atmosphere.

Disclosure Based on TCFD Recommendations

Governance
Strategy: Climate Change-Related Risks and Opportunities
Risk Management
Metrics and Targets

Governance

Structure for Responding to Climate Change Issues

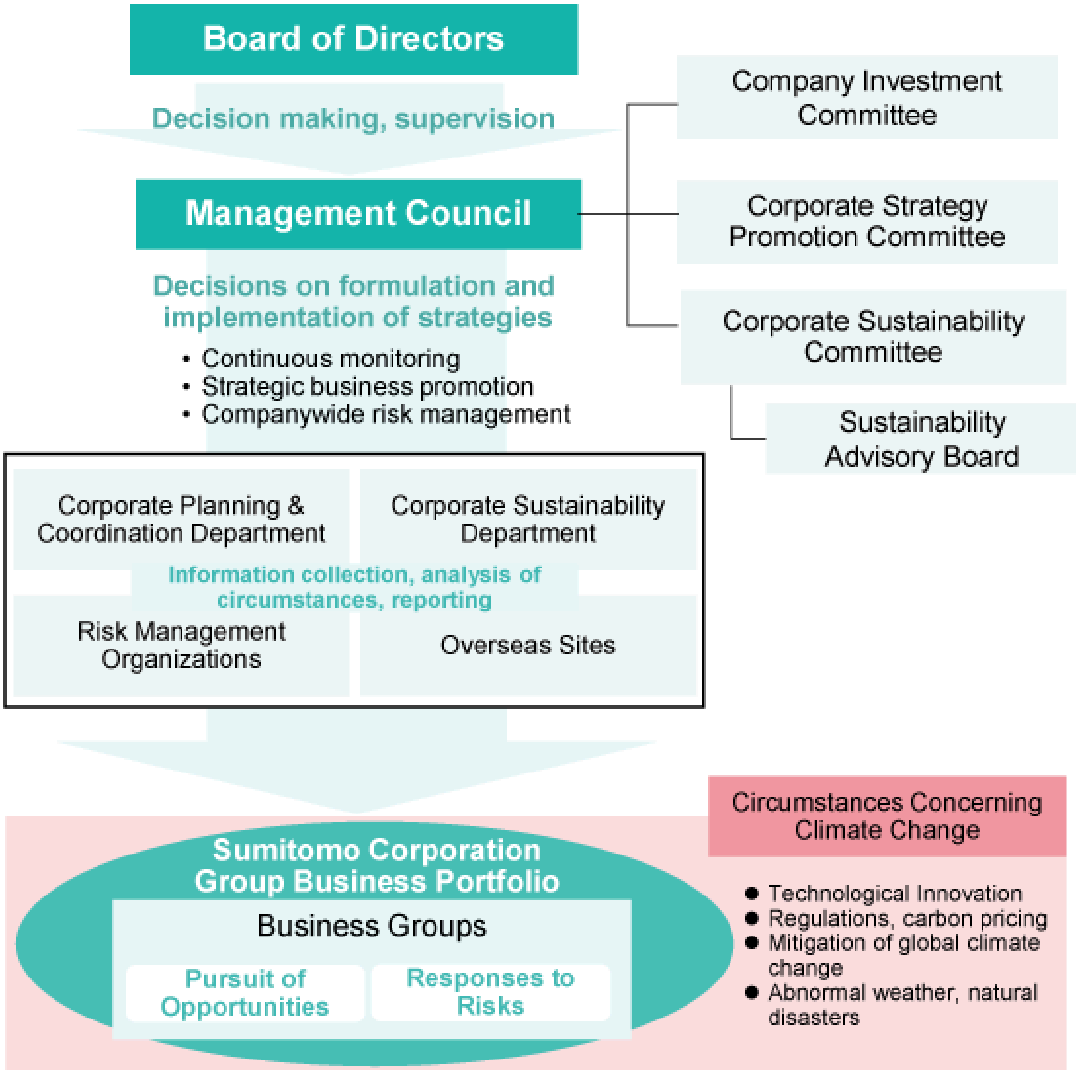
Overseeing

The Board of Directors is responsible for making decisions on important management matters based on our Group's climate change-related risks and opportunities, and for supervising the execution of business operations. According to the division of roles stipulated in the Board of Directors regulations, the Board of Directors deliberates and determines on the formulation and revision of climate-related policies and targets, risks and opportunities in the overall business portfolio including climate change related, and the handling of important individual cases, which are submitted to the Board of Directors after review by the Management Council and other bodies.
Also, the Board of Directors receives reports on macro-environmental analyses and responses to climate change issues several times a year and supervises the efforts of the business execution side.
In addition, to ensure that the Company's officers, including directors, are more aware of our commitment to the advancement of sustainability management, evaluation based on the non-financial indicators including “climate change” is used to calculate the amount of the remuneration of officers. For more details, please visit our website “Executive Remuneration Plan.”

Execution of Duties

Management Council and executive management are responsible for decision-making and business execution of important sustainability-related management matters of the Group according to the company regulations. The Management Council makes comprehensive decisions after consulting with the Corporate Sustainability Committee and other committees in order to assess and manage sustainability-related risks and opportunities and make effective decisions.
In addition, with regard to sustainability-related initiatives and responding to risks and opportunities, the Corporate Sustainability Department, which is a specialized organization in charge of planning and disseminating measures to promote sustainability within the Company, and related corporate organizations such as the Corporate Planning & Coordination Department, which plans the Company's overall management plan and important measures, as well as and the person in charge of sustainability promotion in each business group, and overseas regional organizations work together. Based on information provided by the Company's internal research organizations, the Business Groups, overseas regional organizations, etc., we formulate and promote company-wide plans and measures.
In addition, we have established the Sustainability Advisory Board, which is comprised of outside experts on ESG, to obtain advice and recommendations on our overall sustainability management.

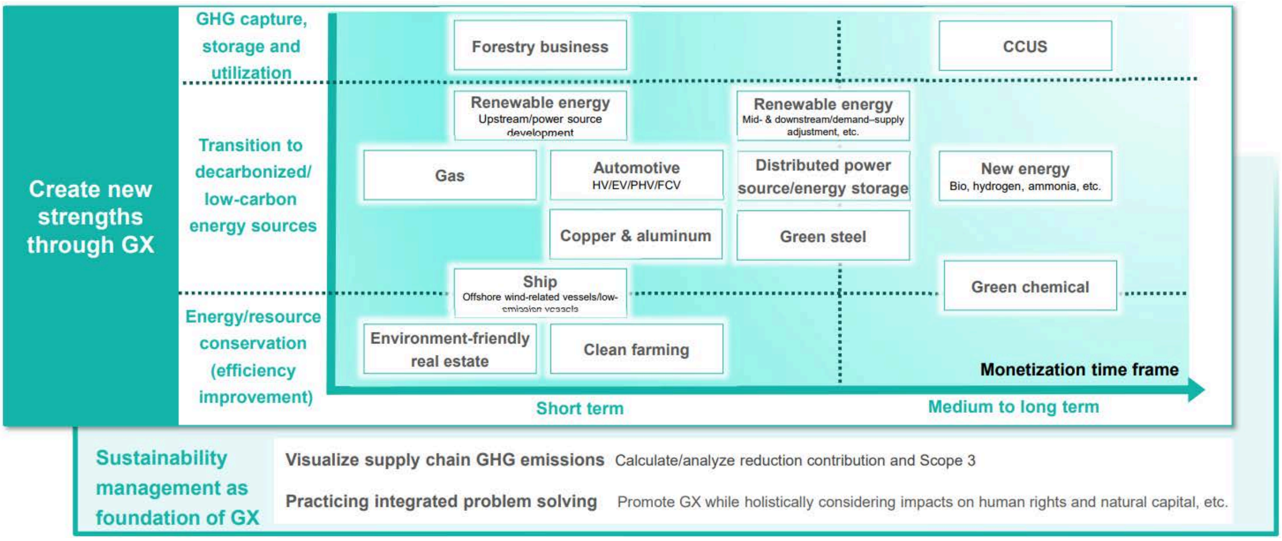
<Climate change governance structure (as of June 2025)>



Strategy: Climate Change-Related Risks and Opportunities

Accelerated new growth driven by GX (Green Transformation)

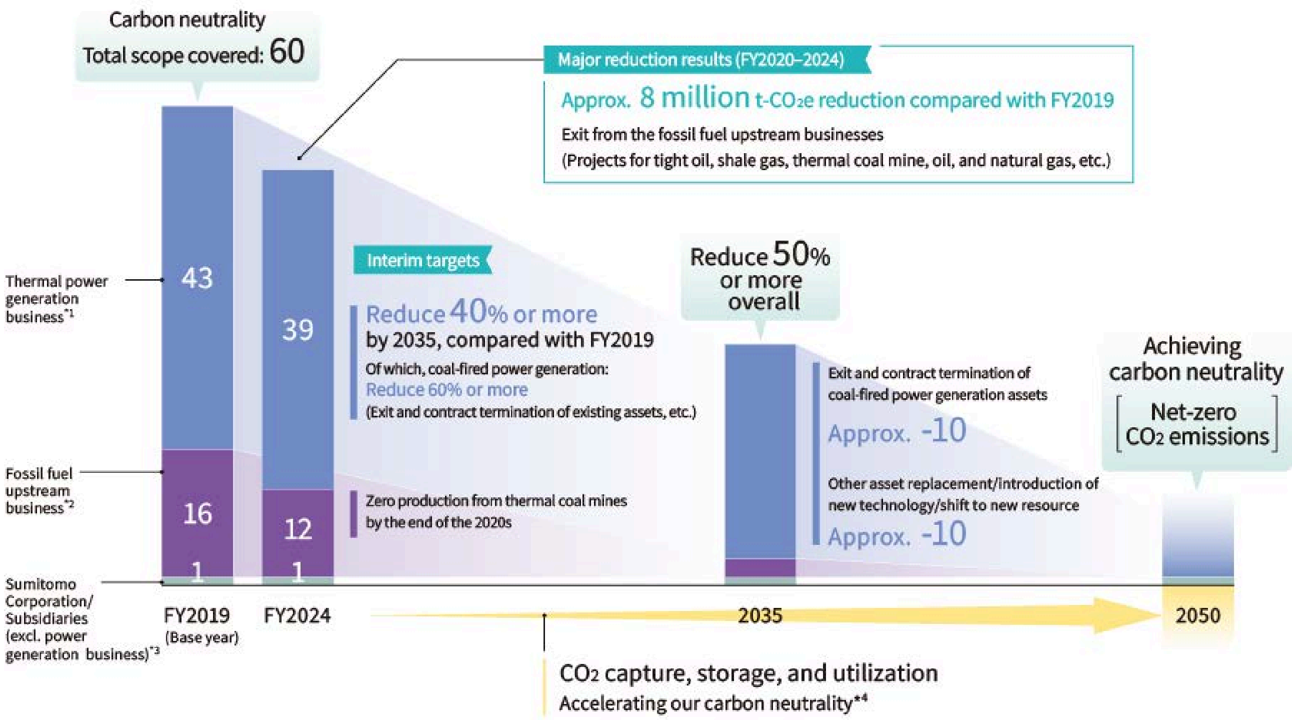
We have promoted the creation of next-generation businesses that contribute to the realization of a carbon-neutral society under prior Medium-Term Management Plan (FY2021-2023), including the promotion of sustainable management and the establishment of EII (Energy Innovation Initiative), a company-wide cross-functional organization. In the new medium-term management plan started from FY2024, we will further strengthen businesses where they have strengths and competitive advantages through green transformation in the short term. At the same time, we pursue green transformation considering time frame to monetization (including market formation) in various industries fields and create new strengths for the future in the mid- to long-term. To this end, we have begun efforts to visualize GHG emissions throughout our supply chain, including the calculation and analysis of Scope 3 emissions. In addition, in addressing climate change issues, we intend to promote GX while taking into account the impact on human rights and natural capital in an integrated manner.



Steady Advancement of the Business Portfolio SHIFT （Achieving Carbon Neutrality across the Group）

Toward the Group's goal of becoming carbon neutral by 2050, we have established specific milestones for CO_2 emission reduction as shown in the chart below and are steadily promoting them.

Milestones for CO_2 emission reduction toward carbon neutrality of the Group (Millions of t-CO_2e)



*1 Includes estimated figures after the construction and operation of the businesses for projects still under construction and emissions from equity-method affiliates

*2 Indirect CO_2 emissions from the use of energy resources produced by fossil energy concession of Sumitomo Corporation, its subsidiaries, and affiliated companies under the equity method

*3 Direct CO_2 emissions of Sumitomo Corporation and its subsidiaries and indirect CO_2 emissions of the generation of energy used by them

*4 Through means recognized by international standards such as capture and storage by forests and other technical methods

Coal-fired power generation business

Sumitomo Corporation policy

- No involvement in any new coal-fired power generation business, neither in IPP nor EPC, without any exception
- End all coal-fired power generation business by the late 2040s

Approach to efforts

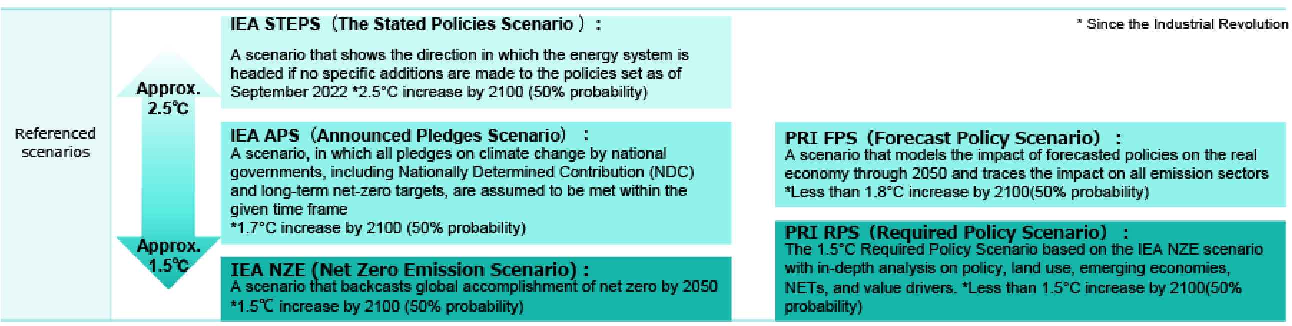
From the perspective of our social responsibility, including the development of local communities and economies and our obligation to supply, we will pursue every option, not eliminating the possibility of accelerated withdrawal from the business, while implementing the following efforts to accelerate the decarbonization of our Company and society as a whole.

- Consensus building based on sincere dialogue with host countries, local communities, and other stakeholders
- Pursuit of consideration and efforts toward the decarbonization and low carbonization of existing facilities
- Maximum support for host countries to shift power sources to renewable energy and other sources

Strategy: Scenario analysis (Climate Change-Related Risks and Opportunities)

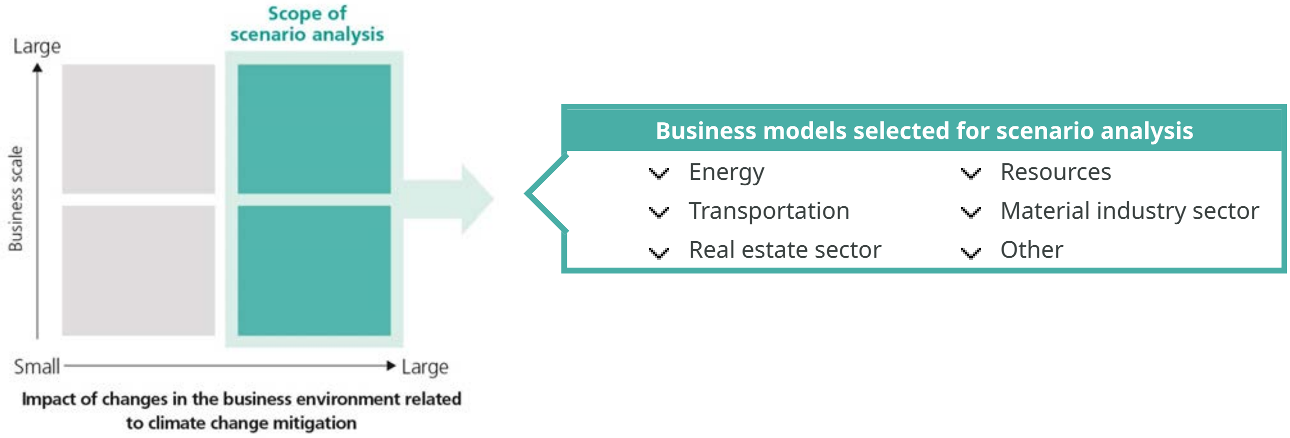
Climate scenario selection

- We analyzed the impacts of transition risks and opportunities to our business models toward 2050, using IEA's and PRI's scenarios, in order to identify new business opportunities and assess businesses' resilience in the case of the occurrence of significant changes of our business environment. In terms of the timeframe of the analysis on risks and opportunities, we set mid-term: by 2030 and long-term points: by 2050.
- The scenarios mentioned above are used as references to analyze our business activities and do not prejudge our future management policies and business strategies.



Identifying the Businesses for Which to Perform Scenario Analysis

- Our scenario analysis scope encompasses all of our business sectors which will be highly affected by business environment changes related to climate change mitigation, regardless of the scale of the business.



Identified climate-related risks and opportunities

- The problem of climate change can be broadly classified into two categories: transition risks posed by changes in policies and regulations, technological developments, market trends, and market evaluation, etc., and physical risks posed by an increase in natural disasters and extreme weather conditions due to climate change.
- The Group operates globally in a variety of industries and has identified and analyzed the following climate-related risks and opportunities that could affect the Group's forecasts. For specific details, please see the results of the scenario analysis below.

Category	Identified risks and opportunities	Relationship with business models
Transition risks and opportunities	**Risks** Our business environment may presumably be affected by introducing regulations for reducing GHG emissions or decarbonization in the future, strengthening international climate actions, updates of each country's GHG reduction target and changes of technologies and market trends in broad industrial sectors. **Opportunities** Our business environment may presumably be affected by increase of societal needs for low-carbon and energy-saving products and services and creation of new climate-favored market, corresponding to introducing regulations for reducing GHG emissions or decarbonization and change of preferences of consumers.	Business models with relatively higher risks described left are electricity generation and energy resource; automobile; aircraft; shipping; steel; chemicals; cement; aluminum smelting; real estate.Throughout the analysis on these business models, we periodically recognize risks to affect our business activities in taken up business models and gravity of the risks and consider implementing necessary measures to minimize negative impacts on our performance. In order to take advantage of opportunities, we have been strengthening our business activities to contribute to realizing a carbon neutral society by formulating strategies including investing in potential businesses such as next generation energy and increasing evaluations of existing climate-related businesses through improving business efficiency.
Physical risks	**Chronic physical risks** Our business environment may presumably be affected by occurrence of average temperature increase, precipitation pattern change and sea level rise in a continuous and chronic manner. **Acute physical risks** Our business environment may presumably be affected by intensification of extreme whether events such as storms, floods, droughts, and forest fires in an acute manner	We analyzed physical risks described left focusing on power generation including renewable energy,upstream energy resource, real estate, agriculture and forestry businesses as areas with relatively higher physical risks in terms of possessing larger scale assets or requiring more natural resources for their operation.We manage these physical risks by assessing impacts related to local weather conditions and geological factors before investing, conducting continuous assessment after involved, clarifying scope of contractual responsibility and securing coverage of damage insurance.

Results of Scenario Analysis

- The macro environment for the models identified for the scenario analysis is based on a five grade evaluation of future market trends for each sector in 2030 and 2050, as described in the main scenarios presented by the IEA and other organizations. The forecasts for demand trends and the business environment shown by these scenarios include many potential risks and uncertainties.
- Our Business Environment, Policies and Initiatives related to each sector describe the policies and initiatives that consider the factors and certainty of various changes in the business environment shown in these scenarios and the circumstances unique to our business. Furthermore, we are working on the premise of carbon neutralization in 2050 for thermal power generation, fossil energy concession, and other business activities by Sumitomo Corporation and its subsidiaries and disclose the related indicators.
- Slightly more than half of the total of the business environment for the analyzed businesses is positioned as neutral or increase in the year 2050 under NZE/APS/STEPS. We then identified risks and opportunities for each of our businesses and confirmed that we are steadily taking steps to mitigate risks and seize opportunities. Below is a summary of the macro environment that the scenarios represent, and please refer to the bottom of the page for a description of our policies and initiatives considering these scenarios.

Trends of Supply and Demand Changes in Referenced Scenario (Macro Environment)

↑ : Significant increase to increase

→ : Neutral

↘ : Slightly decrease to decrease

↗ : Increase to Slightly increase

↓ : Decrease to Significant decrease

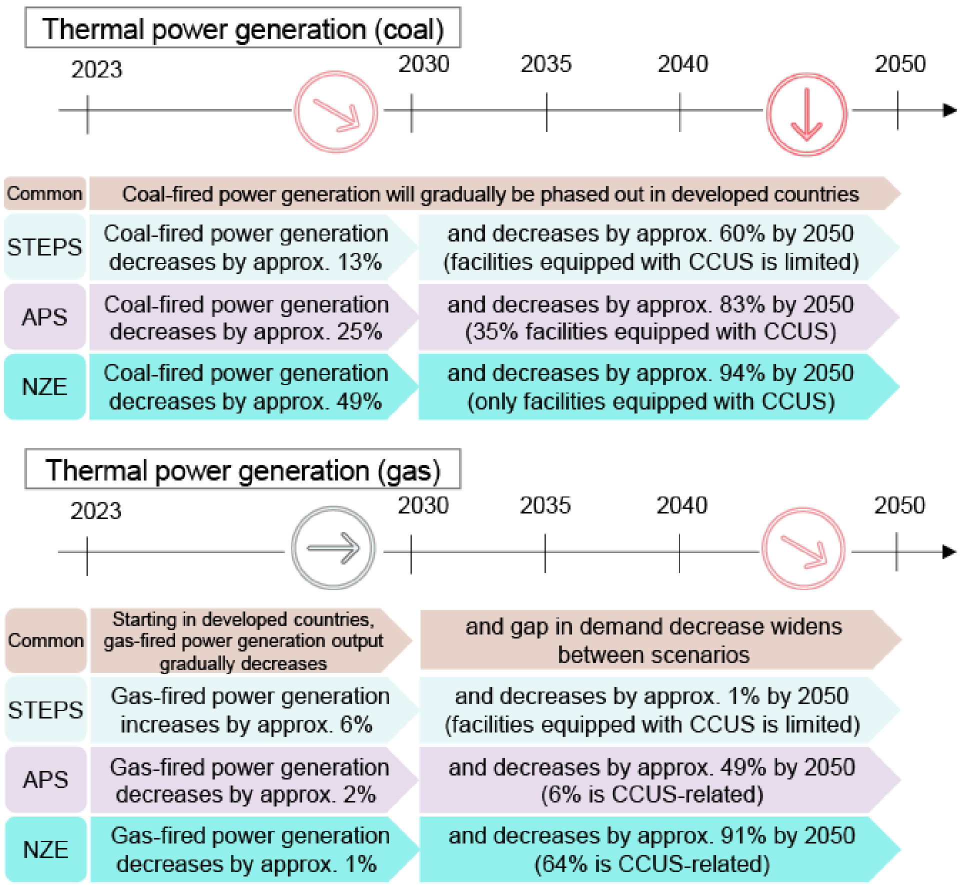
			Referenced scenarios (Macro Environment)	
Sector	Business		2030	2050
Energy	Thermal power generation (coal)		↘	↓
	Thermal power generation (gas)		→	↘
	Renewable energy power generation		↑	↑
	Next generation energy	Hydrogen, ammonia, synthetic fuels	↑	↑
		Storage battery, energy management	↑	↑
		CCUS	↑	↑
Resources	Thermal coal		↘	↓
	Coking coal		→	↘
	Iron ore		→	↘
	Natural gas and LNG		→	↘
	Nickel		↑	*
	Copper		↗	*
Transportation	Vehicles		↗	*
	Shipping		→	↗
	Aviation		↗	↑
Material industry sector	Steel	Steel sheets	→	→
		Tubular products	→	↘
	Cement		→	→
	Chemicals		→	→
	Aluminum		→	→
Real estate sector	Office buildings / residential building sales business		→	↗
Other	Forestry		→	→

* No 2050 trend for sectors with “*” because of insufficient data for the scenario

Strategy: Transition Risks and Opportunities Related to Climate Change〈Scenario Analysis〉

Energy sector

Referenced scenarios (Macro environment: changes in thermal power generation (coal and gas) output)



Our Business Environment, Policies and Initiatives

Our Businesses

Thermal power generation (coal and gas) businesses

External Environment, Risks and Opportunities

Regarding coal-fired power generation, there is a gradual decline starting in developed countries and in all scenarios, there is a significant decline by 2040 or 2050. While gas-fired power generation as a percentage of total power generation will decline over the medium to long term, we expect that investigations will continue into reducing CO_2 emissions through the use of hydrogen, CCUS, and other new technologies. However, to advance the energy transition, we expect gas to remain an important power generation source because, from the perspective of stability of power supply, a certain level of gas-fired power generation will be required.

Our Policies, Strategies, and Initiatives

We have set policies on power generation businesses*1 and we have been shifting our allocation of management resources from thermal power to power generation businesses with low environmental impact, such as renewable energy.
We believe that gas-fired power generation is an important power generation method that will play a bridging role in the energy transition, and a dispatchable power supply role to support power supplies as renewable energy power generation spreads. We also have high expectations, and are implementing initiatives, for innovative low-carbon technologies, including the use of green hydrogen, to help achieve carbon neutrality. While contemplating the development of local communities and economies and our obligation to supply electric power as stabilized power supply, we will pursue various options, without eliminating the possibility of accelerated withdrawal from the business to realize decarbonization of our company and society as a whole. We will pursue the decarbonization and low-carbonization of existing facilities and providing maximum support for host countries to shift power sources to renewable energy and other sources. We are utilizing our extensive know-how in power generation businesses to deliver high-efficiency, high-quality power supplies with outstanding environmental performance in countries around the world.

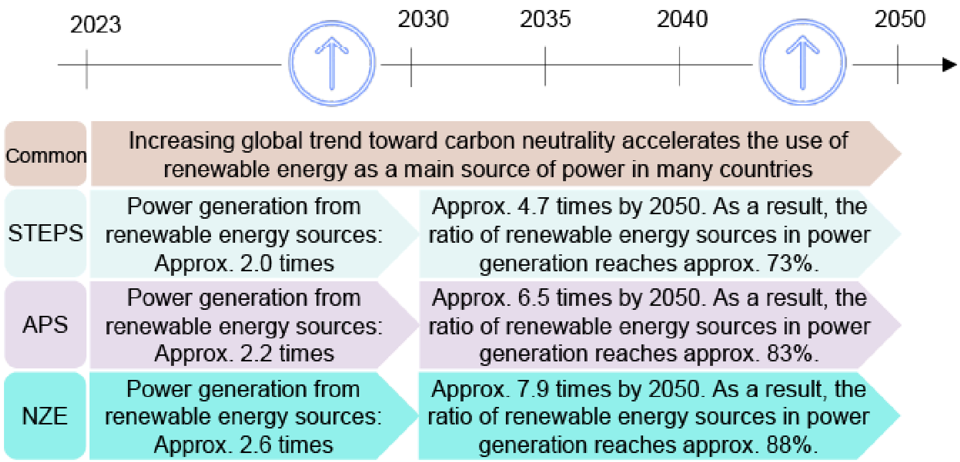
＜Reference＞

Coal-fired power generation business*1	As of Mar. 31, 2025	Estimate for 2035	Latter half of the 2040s
Outstanding investments, loans and guarantees*2	320 billion yen	Approx. 150 billion yen	Zero
Net ownership generation capacity	5.2GW	Approx. 2GW	Zero

*1 Regarding coal-fired power generation, we aim to reduce CO_2 emissions by 60% or more by 2035 (compared to 2019) and will end all the coal-fired power generation business in the late 2040s. Please refer to the Policies on Climate Change Issues on our Sustainability website for more details.

*2 We disclose all of our outstanding balances of investments, loans, and guarantees for all coal-fired power generation projects, regardless of investment scheme or contract type, for your reference. Result of March 31, 2025 is calculated based on the exchange rate at the end of March 2025 <YEN/US$>; 149.5 yen.

Referenced scenarios (Macro environment: changes in renewable energy power generation output)



Our Business Environment, Policies and Initiatives

Our Businesses

Renewable energy power generation

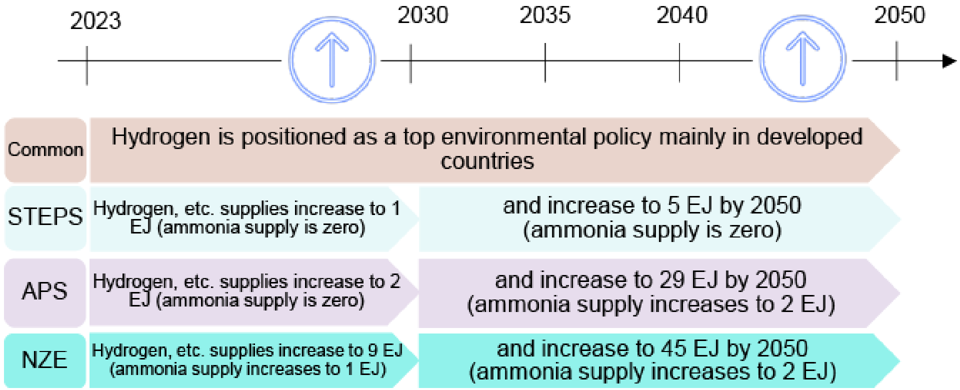
External Environment, Risks and Opportunities

With an increasing trend toward carbon neutrality, the use of renewable energy as a main source of power is accelerating around the world. In addition to renewable energy such as solar, wind, and geothermal power generation, the demand for renewable energy to produce green hydrogen is also increasing. In each of the scenarios to the left, renewable energy power generation output increases dramatically by 2050, while it is forecast to increase roughly eightfold from the current output in the NZE scenario.

Our Policies, Strategies, and Initiatives

To overcome the issue of climate change and bring about a carbon neutral society, the Sumitomo Corporation Group is engaged in various renewable energy businesses such as wind, solar, geothermal, hydroelectric, and biomass. While providing the stable supply of energy essential for the development of economies and industries in local societies, we are putting forward a policy of continuing to shift management resources to a power generation portfolio with low environmental impact, such as renewable energy. We also aim to achieve net generation capacity of 5 GW or more for renewable energy by 2030. As of the end of March 2025, our net generation capacity is approximately 2GW which is a steady progress, mainly from offshore wind power in Europe. In addition to growing our solar and wind power generation businesses, we are also promoting hydroelectric power generation businesses in regions where there is an abundance of water resources, and we are promoting operation and development of geothermal power generation businesses in Indonesia, a country with the world's second-largest reserves of geothermal resources.

Referenced scenarios (Macro environment: changes in hydrogen and ammonia supplies)



* Hydrogen, etc. supplies include hydrogen and ammonia supplies, and low-carbon hydrogen, ammonia, and synthetic fuels, in the electricity and heating sector.
  1 EJ (10^{18} joules) is equivalent to the heat value of approximately 25.8 million kL of crude oil.（EJ : Exajoules）

Our Business Environment, Policies and Initiatives

Our Businesses

Carbon-free energy (hydrogen, ammonia, synthetic fuels, etc.) development businesses

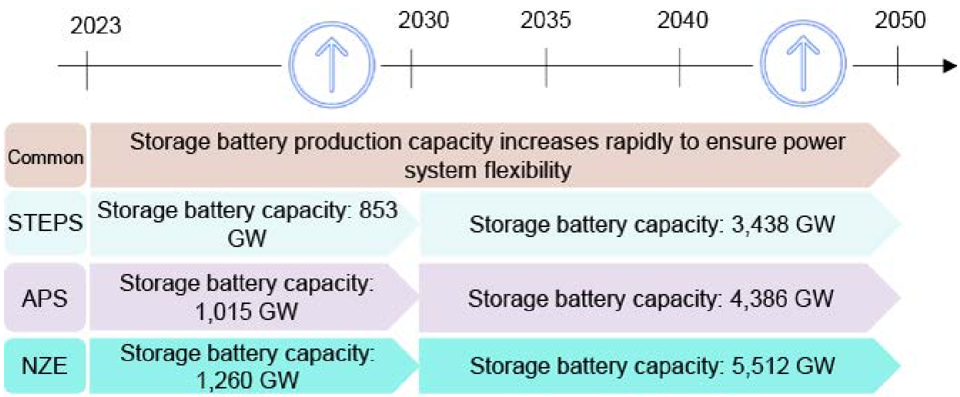
External Environment, Risks and Opportunities

Demand for next-generation energies as fossil fuel alternatives that contribute to reduced lifecycle CO_2 is increasing. In all IEA scenarios, clean energy investment is projected to account for the majority of energy investment in 2030. On the supply side, in areas where natural gas and renewable energy are rich and available, global investment plans are already in place for development of hydrogen and ammonia plants. On the demand side, governments in Europe, Japan and Asia are formulating plans to use hydrogen and ammonia to realize decarbonization in industry. Government support frameworks, technology development, and social acceptance are essential to establish successful business.

Our Policies, Strategies, and Initiatives

In FY2021, we launched the Energy Innovation Initiative to promote the development of businesses related to hydrogen, ammonia, synthetic fuels, and other next-generation energies as an important focus area. As for hydrogen, for instance, we have been engaged in developing hydrogen-related businesses from various perspectives, such as projects for locally produced and consumed hydrogen that take advantage of the characteristics of locales and of hydrogen itself, large-scale hydrogen value-chain projects that promote the mass production, transportation, storage, and utilization of hydrogen, and investments in new technologies.
We will build supply chains based on optimal technologies, cost, and timeframes for each next-generation energy and contribute to realize a decarbonized society by ensuring the stable supply of next-generation energies.

Referenced scenarios (Macro environment: changes in stationary storage battery production capacity)



Our Business Environment, Policies and Initiatives

Our Businesses

Storage battery and energy management businesses, etc.

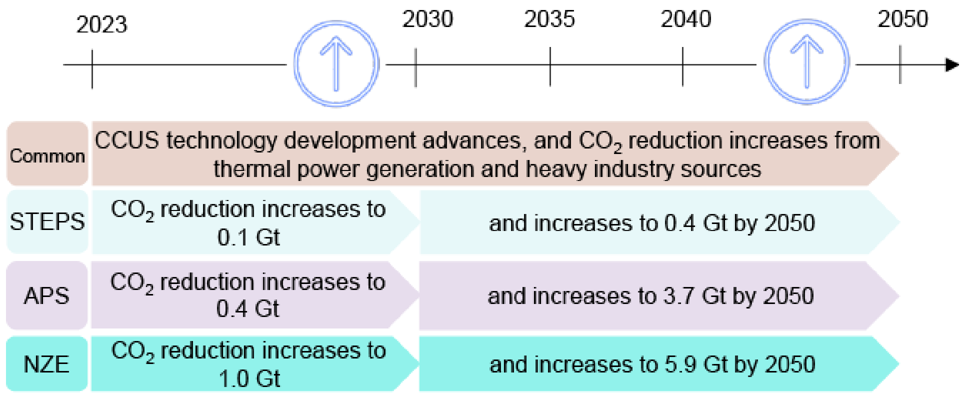
External Environment, Risks and Opportunities

If current government targets and policies around the world are promoted, electric vehicles will apparently reach market share of 45% globally. There will be a much greater need for storage batteries that have high energy and storage efficiency, so from the perspective of energy management as well, the market is forecast to expand to around 10 times of the current market size. In line with this, European battery regulations are moving to require storage battery recycling, carbon footprint disclosure, and traceability. In addition, with an uneven geographical distribution of mining for the critical mineral resources used in batteries, there is a risk that increased prices for cobalt, lithium, and nickel will cause the price of storage batteries to increase.

Our Policies, Strategies, and Initiatives

To secure stability of power networks, which is a major challenge for greater spread of renewable energy, we are commercializing new energy management technologies that use storage batteries. As another key to mitigating climate change, we are also promoting businesses that reduce energy consumption and utilize renewable energy on the energy demand side, such as the car sharing business. Specifically, by developing businesses ourselves utilizing our accumulated know-how and internal resources within Sumitomo group including electricity wholesale and renewable generation development, we manage project development and operation from economics point of view and improve project revenues from our electricity service businesses. In this way, we are strategically ensuring commercial viability of those businesses and promoting trials of new ideas in society. Going forward, we will also consider contributing to further utilization of vehicle storage batteries around the world.

Referenced scenarios (Macro environment: changes in non-scrap iron production)



Our Business Environment, Policies and Initiatives

Our Businesses

CCUS*1 adoption business

External Environment, Risks and Opportunities

CCUS is a new technology, so the spread of such technology is limited at present. However, with a range of support including subsidies and tax deductions in Europe, the United States, and other developed countries, investment is growing. In the NZE scenario, a high need for CO_2 capture is forecast for 2030 due to new construction and refurbishment of blue hydrogen manufacturing equipment, coal-, gas-, and biomass-fired power plants, and cement, steel, chemicals and other industrial facilities. Thus, CCUS adoption globally is forecasted to increase. At the same time, the idea of cross-border CO_2 transport from high-emitting countries to countries with large carbon storage capacity is also being considered in Asia and some European countries. On the other hand, unlike the referenced scenarios, if there is a global softening of CO_2 reduction initiatives, potential risks include shrinking markets, cessation of subsidy schemes, and increasing costs associated with capital investment.

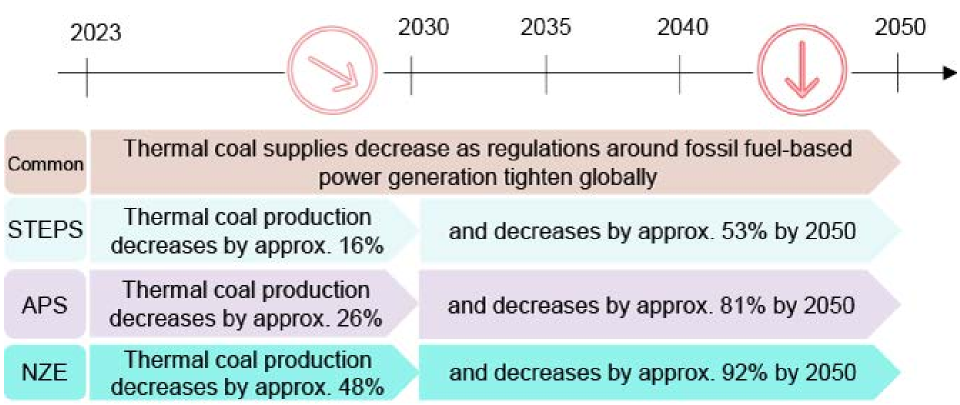
Our Policies, Strategies, and Initiatives

The existence or otherwise of subsidy schemes in the future will greatly impact the economic efficiency of the business and the feasibility of establishing it. Therefore, in countries and regions that are already starting to develop frameworks for subsidies, we aim to actively utilize those frameworks, participate in projects at an early stage, and build up a track record. Specifically, these include acquiring CO_2 storage sites in the UK, promoting joint CCS project development with local partners in Canada, and considering cross-border CO_2 exports between Japan and Australia. On the other hand, in countries and regions that are establishing carbon emission targets and considering related policies, we aim to develop a market and create projects from our accumulated expertise, by collaborating with governments and being involved in the establishment of legislative systems as much as possible. We are also working to build a CCUS value chain through the creation of carbon removal credits. Specifically, we have invested in Inherit Carbon Solutions AS, a Norwegian company that develops CDR from biogenic CO_2, and we are also investigating a DAC*2 business in the Americas with Tokyo Gas Co., Ltd.

*1 Carbon Capture, Utilization and Storage: Technologies for sequestration and effective utilization of high-concentration CO_2 emitted from industrial activities.
*2 Direct Air Capture: Technologies for capturing CO_2 directly from the atmosphere.

Resources sector

Referenced scenarios (Macro environment: changes in thermal coal production



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream

External Environment, Risks and Opportunities

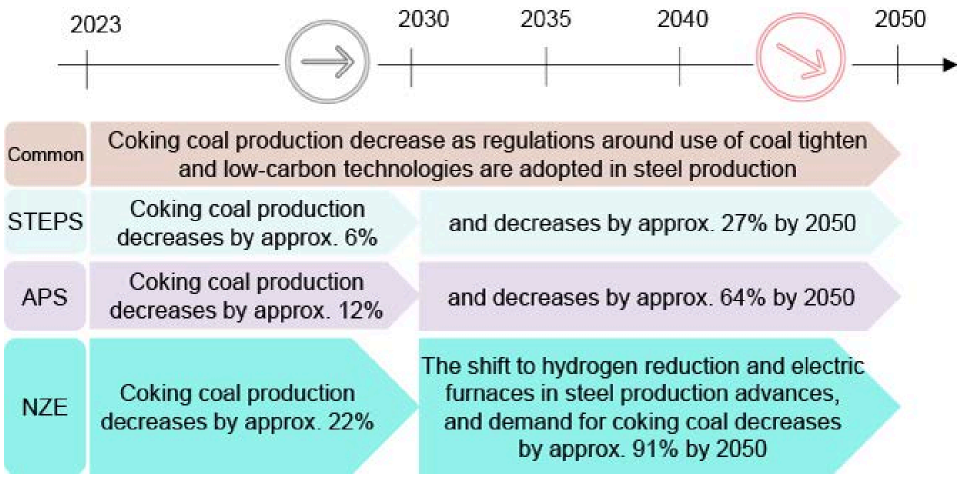
The energy policies of many countries, especially developed countries, include plans to shift from coal-fired power generation to gas-fired power generation and then renewable energy, so demand for the thermal coal used in coal-fired power generation is forecast to decline.

Our Policies, Strategies, and Initiatives

We will not acquire new interests in the thermal coal mine development, and we plan to reduce equity production volume from thermal coal mines to zero by the end of 2020s. The weight of thermal coal interests in our resource portfolio is relatively small. Going forward, mines of currently owned interests are scheduled to reach the end of their mine life in the near future. Also, the concession produces high-grade coal, which is in relatively high demand, and is cost-competitive, making it resistant to price declines even when there is a drop in demand.

<Reference>
As of March 31, 2025 Thermal / coking coal Exposure: 80 billion yen

Referenced scenarios (Macro environment: changes in coking coal production)



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream

External Environment, Risks and Opportunities

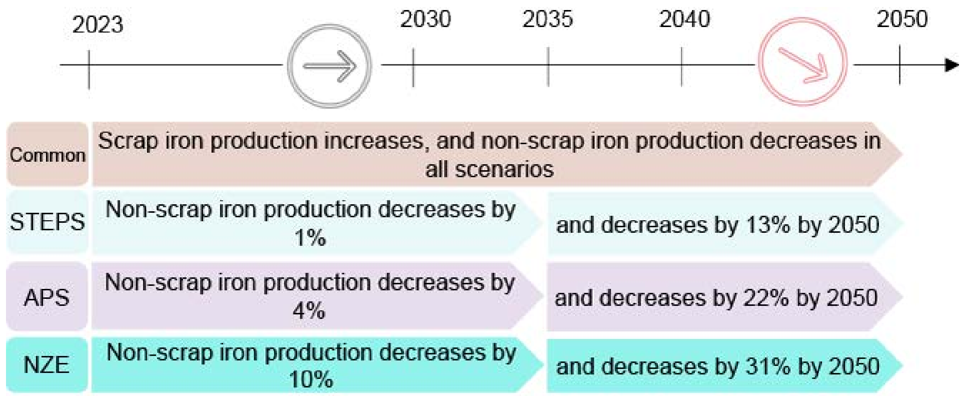
In the long term, many countries and regions will develop policies for adopting or strengthening carbon taxes, so demand for coking coal is forecast to decline as low-carbon iron-making processes with fewer CO_2 emissions are put to practical use and the ratio of electric furnace use increases.

Our Policies, Strategies, and Initiatives

In combination with CCUS and other CO_2 capture and storage technologies, it is predicted that steel businesses that use blast furnaces will be preserved for the time being. In addition, we believe that a certain level of demand will be maintained for the interests we hold as they produce hard coking coal, which is considered rare among coking coals.

<Reference>
As of March 31, 2025 Thermal / coking coal Exposure: 80 billion yen

Referenced scenarios (Macro environment: changes in non-scrap iron production)



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream

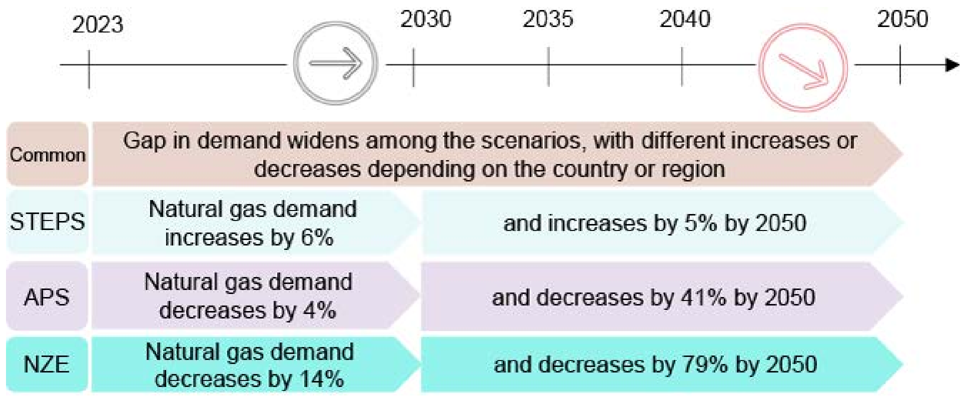
External Environment, Risks and Opportunities

Despite a forecast gradual increase in global demand for steel, an increase in the ratio of electric furnace steel as a result of moves toward decarbonization may lead to a portion of raw materials being replaced with steel scrap and a decline in overall demand for iron ore. On the other hand, demand and production of direct reduced iron is forecast to increase as a way to reduce CO_2 emissions in both the blast furnace method and the electric furnace method, so demand for the high-grade iron ore used as raw materials for direct reduced iron may increase.

Our Policies, Strategies, and Initiatives

Regarding our iron ore-related businesses, through our projects in South African and Brazilian mines, we contribute to stable supply of resources to Asia, with a focus on China and Japan. We will continue to take actions for stable supply while paying close attention to the impact on demand due to changes in the iron-making and steelmaking methods in response to decarbonization in the steel industry, and also to the impact of an increase in the ratio of electric furnace steel.

Referenced scenarios (Macro environment: changes in natural gas demand)



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream, midstream and downstream, trading of natural gas/ LNG

External Environment, Risks and Opportunities

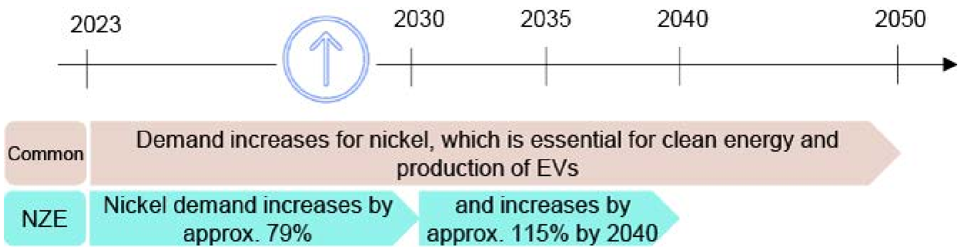
Despite a significant gap in demand increase/decrease between each of the scenarios, natural gas will be used as an alternative power fuel for coal in the transition phase to a low-carbon society. In addition, it will continue to play an important role as a raw material for petrochemical products, ammonia, and fuel for transportation.
In the short to medium term in particular, demand is forecast to increase in the ASEAN nations, and it is expected that business opportunities will increase in the Asian Pacific (including India) and China. The main supply-side countries and regions for LNG in the future may be the Middle East and United States and, with the impact of the conflict between Russia and Ukraine, LNG trade opportunities with demand-side countries and regions may increase.
In the long term, the spread of renewable energy will offset increased demand in emerging countries, so demand is forecast to trend downward. However, a certain level of demand for natural gas is forecast to remain in some countries and regions where the use of renewable energy is not suitable, so natural gas will continue to play an important role in the best mix of renewable energy, such as a balancing function when renewable energy is not available.

Our Policies, Strategies, and Initiatives

We will focus on strategic regions from the medium to long-term perspective, and we will work to maximize opportunities by creating a natural gas and LNG value chain in combination with upstream LNG projects, LNG trading, and midstream and downstream businesses. Furthermore, we will contribute to the stable supply of energy to the appropriate countries and regions while securing demand for transition fuels which support the shift to a carbon neutral society while introducing environmental technologies such as CCS/CCUS and promoting the best mix of renewable energy sources.

<Reference>
As of March 31, 2025 Gas, LNG Exposure: 80 billion yen

Referenced scenarios (Macro environment: changes in nickel demand)



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream

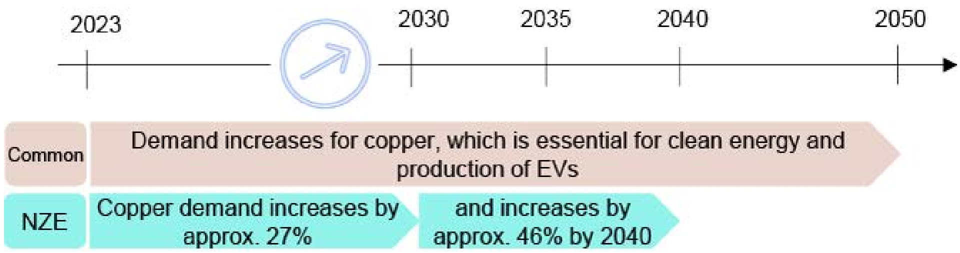
External Environment, Risks and Opportunities

With the spread of renewable energy, EVs, and storage batteries, which are essential in the expansion of low-carbonization and decarbonization, demand for the nickel used in rechargeable batteries is forecast to increase dramatically in the medium to long term.

Our Policies, Strategies, and Initiatives

We are proceeding with projects as a producer in the Republic of Madagascar. We sell the products to Japan, Europe, North America, and Asia, and we are aiming to create further business opportunities. While continuing to conserve biodiversity, including reforestation of quarries, and conserve the environment surrounding mines and plant sites, we will also continue to find and implement CO_2 emission reduction measures, and work to stabilize production and increase production volumes.

Referenced scenarios (Macro environment: changes in copper demand)



Our Business Environment, Policies and Initiatives

Our Businesses

Upstream

External Environment, Risks and Opportunities

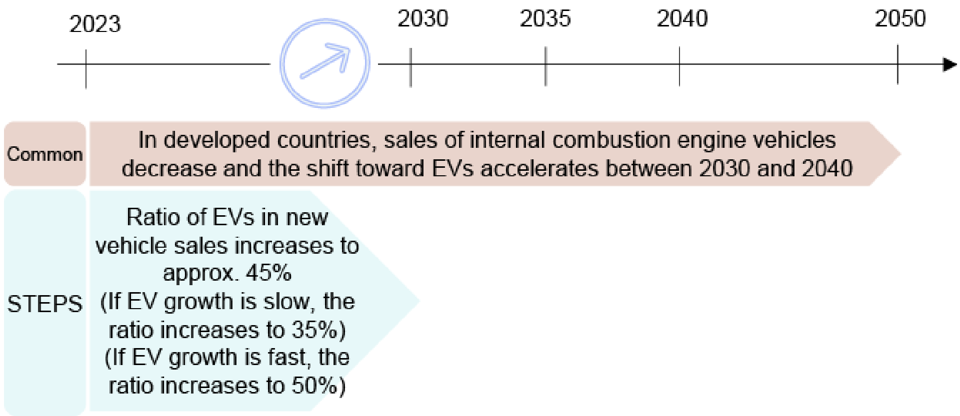
With the spread of renewable energy and EVs, demand for copper is forecast to increase in the medium to long term. On the other hand, increasing supplies is forecast to be difficult due to increasing risks and difficulty of operating newly developed mines, and impacts of things like a tightening of environmental protection regulations.

Our Policies, Strategies, and Initiatives

We will continue to contribute to stable procurement of copper products by acquiring new concessions and expanding production at existing concessions through investment in copper mines overseas, and by strengthening our operations on the copper production value chain. These include our upstream copper concentrate production business and midstream copper bullion production and sales business. We will also continue working to conserve the environment around our mines by monitoring rare species living in the vicinity of the mine, for instance.

Transportation sector

Referenced scenarios (Macro environment: Changes in Sales of passenger vehicles and EVs' share)



Our Business Environment, Policies and Initiatives

Our Businesses

Sales of automobiles, manufacture and sales of automobile components, automobile finance, automobile leasing, car sharing, parking lot operation, etc.

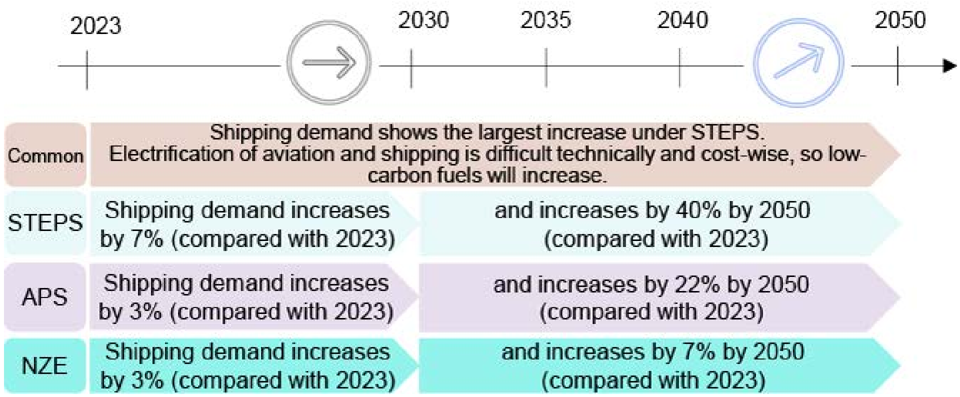
External Environment, Risks and Opportunities

Sales of passenger cars are forecast to increase, especially in emerging countries, and the ratio of EV sales in new car sales are forecast to increase as fuel efficiency regulations tighten. In terms of automobile components, demand for internal combustion engine parts is expected to decline in the future with the spread of EVs, but demand for tires is expected to increase with the associated increase in automobile body weight. If car prices increase as a result of the introduction of carbon tax and so on, there is a risk that new car sales will decline. At the same time, however, demand for automobile finance and leasing businesses is forecast to increase.

Our Policies, Strategies, and Initiatives

In addition to manufacturing and selling automobiles and automobile components, we are engaged in a wide range of businesses in the MaaS field. We see the spread of EVs and developments in MaaS as business opportunities. For example, as part of our parking business in Northern Europe, we are expanding the charging networks essential for the spread of EVs and the EV subscription services using our parking facilities. In Japan, we are working on new business opportunities such as providing fleets of EVs for commuter use, workplace charging facilities, and solar power generation services. Demand for internal combustion engine parts is expected to decline with the spread of EVs, but we consider ourselves to have a limited financial exposure as these parts account for less than a few percent of our parts manufacturing business. We are investigating and implementing a range of initiatives, such as use of carbon-free energy and low-carbon and carbon-free technology to contribute OEM's supply chain carbon neutrality.

Referenced scenarios (Macro environment: Changes in shipping demand)



Our Business Environment, Policies and Initiatives

Our Businesses

Shipbuilding, trading, ship owning and operation

External Environment, Risks and Opportunities

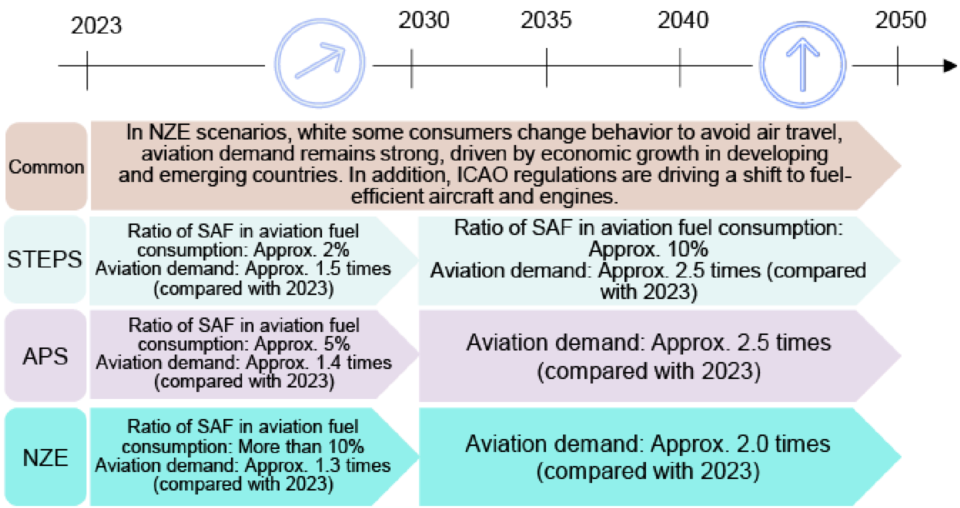
Shipping demand is expected to increase steadily over the medium to long term due to the development of modal shift and other factors. While the cost of investment in low-carbon technologies and the cost of operation could both increase as a result of GHG emission regulations and taxes by IMO*1 and authorities in each country, the need for zero-emission and low-emission ships*2 are also forecasted to increase.

Our Policies, Strategies, and Initiatives

While monitoring the legal regulations and markets in each country, as well as trends in zero-emission and low-emission ships technologies and costs, we are working to increase the ratio of low-emission ships in our shipbuilding business product lineup and ship owning portfolio in expectation of future adoption of regulations. Furthermore, we have been working on the joint development of an ammonia-fueled ship through the partnership with Oshima Shipbuilding. Also, we are investing in offshore windfarm support vessels, a new field expected to see growing demand in the future. In this way, we will create new business opportunities for achieving decarbonization and low-carbonization in society.

*1　International Maritime Organization：International Maritime Organization
*2　LNG-, methanol-, and ammonia-fueled ships, etc.

Referenced scenarios (Macro environment: Changes in aviation demand and the ratio of SAF in aviation fuel consumption)



Our Business Environment, Policies and Initiatives

Our Businesses

Commercial aviation and engine leasing, manufacturing aircraft components, aircraft part-out, carbon credit trading, etc.

External Environment, Risks and Opportunities

Aviation demand is forecasted to increase over the medium to long term. There is a shift toward fuel-efficient aircraft due to ICAO*1 and IATA*2 regulations, and the start of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). At the same time, in the medium to long term, the introduction of SAF*3 and the demand for carbon credits are expected to increase.

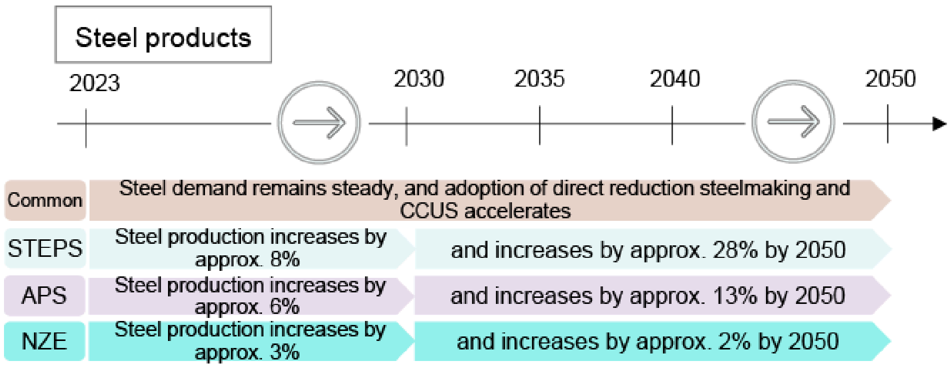
Our Policies, Strategies, and Initiatives

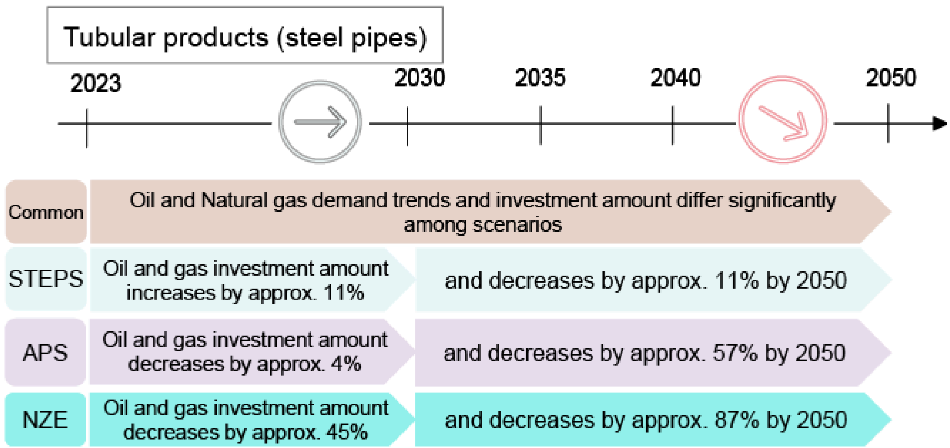
In our mainstream commercial aviation and engine leasing businesses, we are working to achieve sustainable revenue growth by replacing aircraft and engine portfolio with better fuel-efficient ones and capturing leasing demand for addition and replacement of airline customers. We are also contributing to customer (airline) initiatives toward decarbonization. By shifting our portfolio while monitoring market and technology trends and legal legislations regarding aircraft fuel efficiency, we will respond flexibly to changes in the business environment and manage the risk of decrease in leasing fees and prices of our owned aircraft.
We are promoting efforts that contribute to the creation of a circular economy through the aircraft part-out business, selling dismantled parts from retired aircraft. In addition, as for carbon credits, SAF and other biofuels, we are working on commercial production to begin. In this way, we are striving to reduce CO_2 emissions in society while aiming to acquire business opportunities at the same time.

*1 International Civil Aviation Organization
*2 International Air Transport Association
*3 Sustainable Aviation Fuel：Fuel made from plants and waste oil

Material industry sector

Referenced scenarios (Macro environment: Changes in steel production and oil and gas investment amount)





Our Business Environment, Policies and Initiatives

Our Businesses

Trading and investment of steel flat rolled products and tubular products, and other steel products

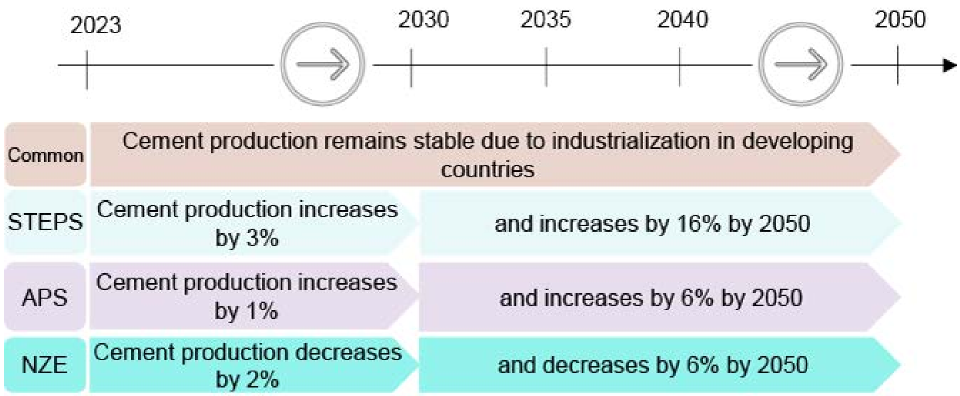
External Environment, Risks and Opportunities

Although the direct impacts of climate change and global warming are limited, indirect impacts such as the partial conversion of steelmaking processes, in which there is an increasing need to reduce CO_2 emissions, and the development of renewable energy infrastructure and related investments to combat climate change are expected to impact existing trades and businesses, as well as to create new demand and business opportunities. As for steel pipes, although the development of crude oil and natural gas, which are their main applications, is expected to decline in the medium to long term, solid demand is expected to continue for the time being, especially for natural gas, which has a lower environmental impact than crude oil.

Our Policies, Strategies, and Initiatives

Our company will collaborate with strategic partners to promote the sale of green steel products, including the mass balance approach, and explore new business opportunities for greening the steelmaking process and to meet the demand for steel and steel pipes for infrastructure development that contributes to a green circular society." In response to the energy transition pursued by integrated energy companies, which involves the greening and diversification of energy sources, we will promote related businesses and continue to focus on the sale of highly corrosion-resistant steel pipes needed for natural gas development.

Referenced scenarios (Macro environment: changes in cement production)



Our Business Environment, Policies and Initiatives

Our Businesses

Cement distribution business

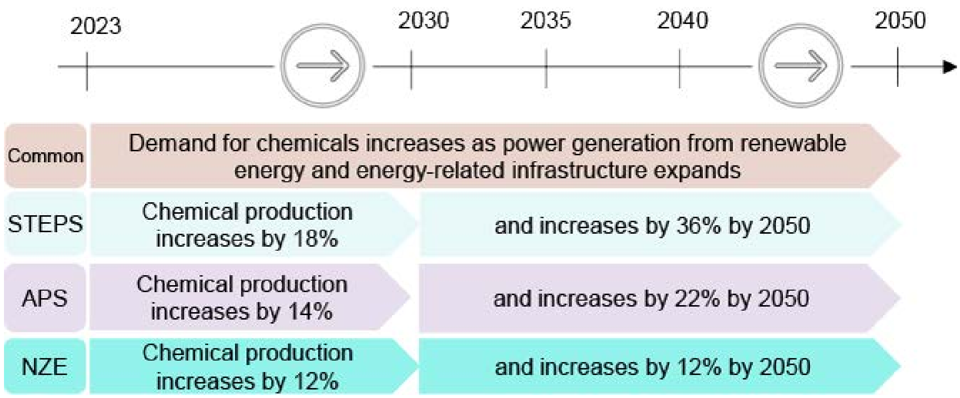
External Environment, Risks and Opportunities

Global demand for cement is expected to increase due to urbanization and industrialization in emerging countries such as India and African countries, and the expansion of new infrastructure facilities such as green energy mainly in mature countries. If climate change mitigation progresses, the increase in cement demand is expected to be smaller due to focused measures on more efficient material, but overall it is expected to remain flat.
While there is a risk of increased costs and reduced demand due to the introduction of regulations promoting decarbonization of conventional cement, which has high CO_2 emission, there is also an opportunity of increased demand for cement produced using low-carbon methods.

Our Policies, Strategies, and Initiatives

Our company is involved in the cement distribution business, which does not include the cement manufacturing process. Therefore, our own CO_2 emissions are limited.
We will develop a sales strategy in response to market changes in order to capture the growth in the conversion of fuels in cement production to clean energy and the increase in distribution of low-carbon cement that replaces the main raw material limestone with other materials. We are also collaborating with promising cleantech companies to verify clean cement production technologies and develop related products using those technologies.

Referenced scenarios (Macro environment: changes in chemical production)



Our Business Environment, Policies and Initiatives

Our Businesses

Manufacturing, trading

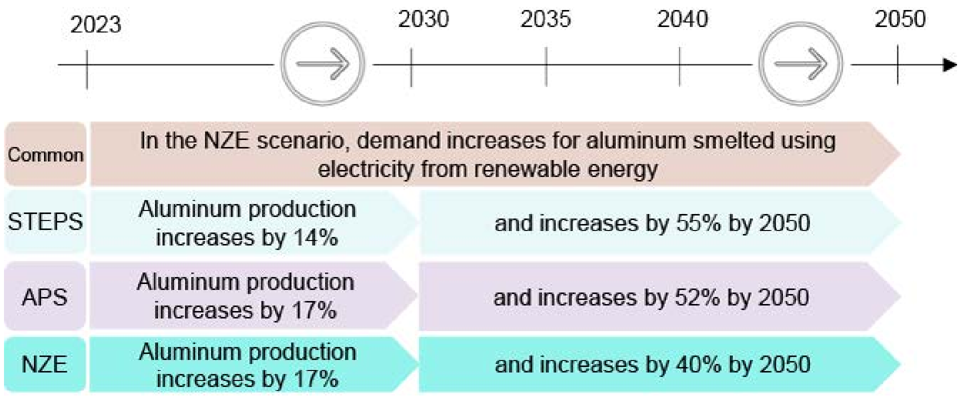
External Environment, Risks and Opportunities

Chemical demand is expected to increase with the expansion of renewable energy and energy-related infrastructure. On the other hand, naphtha produced by refining petroleum is used as the principal raw material, but in the long-term process of energy decarbonization, the supply of naphtha used as raw material is expected to decline. In addition, CO_2 is emitted in huge volumes from fossil fuel energy used in the synthesis and decomposition processes of petrochemical product manufacturing, so demand for low-carbon manufacturing processes, including shifting energy used in the processes to renewable energy, is expected to grow.

Our Policies, Strategies, and Initiatives

We have been monitoring customer demand for decarbonization, and trends in relevant technologies, and exploring business opportunities in chemical product manufacturing using biomass materials and CCU (CO_2 capture and utilization). For example, in 2024, we have started trading petrochemical products using bio-naphtha as the main raw material, in response to structural changes in the petrochemical industry. In addition, we will continue our global trading by adjusting to changes in supply and demand in petrochemical product raw materials and finished product markets.

Referenced scenarios (Macro environment: changes in aluminum production)



Our Business Environment, Policies and Initiatives

Our Businesses

Smelting

External Environment, Risks and Opportunities

Because of its lightness and excellent recyclability, aluminum is an essential metal for decarbonization of society, including improving fuel efficiency of automobiles by reducing vehicle weight, so demand is forecast to increase. On the other hand, large amounts of electricity are consumed in the primary smelting process, so in a future society promoting low-carbonization and decarbonization, demand for green aluminum*, manufactured using electricity from renewable energy and other methods to reduce CO_2 emissions, is forecast to increase.

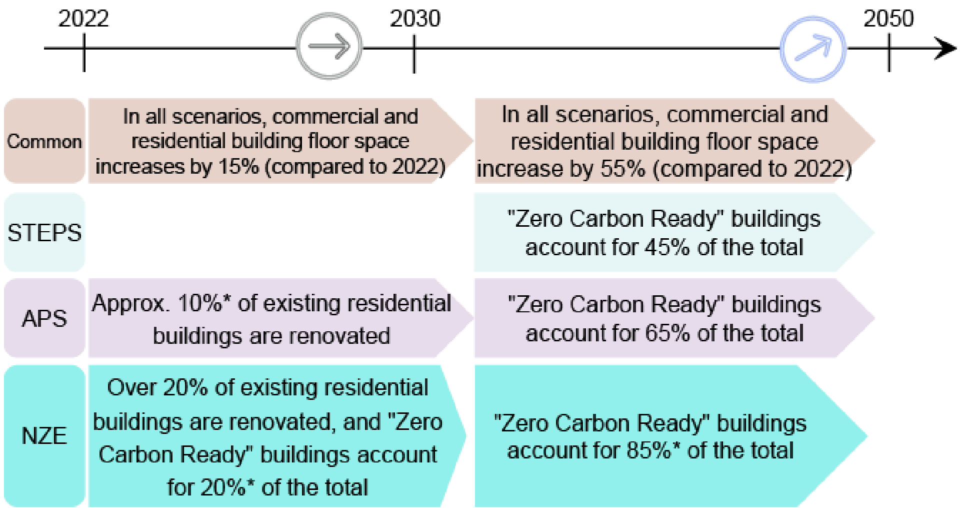
Our Policies, Strategies, and Initiatives

Our aluminum smelting business in Southeast Asia chiefly utilizes renewable energy derived from hydroelectricity, so future risks pertaining to carbon pricing is expected to be limited, and the business is likely to remain competitive in the medium to long term. For this reason, future demand for decarbonization in the supply chain from end-users is expected to present business opportunities where Sumitomo Corporation is able to utilize its strengths. We will work toward strengthening our competitiveness by further expanding our interests in green aluminum and increasing volumes we handle.

* Aluminum produced using renewable energy to reduce CO_2 emissions

Real estate sector

Referenced scenarios (Macro environment: changes in floor space in commercial and residential buildings and renovation ratio of buildings)



* Because the data has not been updated in the scenario, last year's ratings and figures are quoted.

Our Business Environment, Policies and Initiatives

Our Businesses

Office buildings, commercial facilities, residential housing, distribution facilities and real estate funds

External Environment, Risks and Opportunities

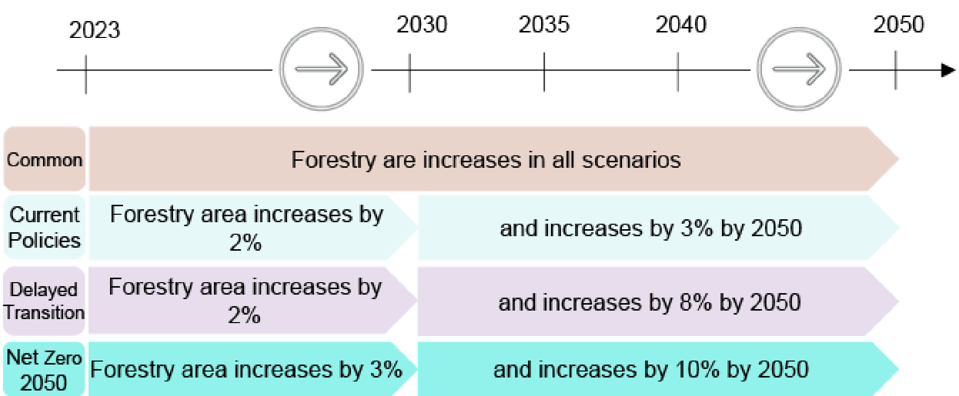
Demand in the real estate sector is forecast to increase in light of population increases and urbanization in emerging and developing countries and increasing refurbishment of existing buildings. On the other hand, a major challenge for buildings is to reduce CO_2 emissions by reducing energy consumption.
In Japan, in order to achieve carbon neutrality by 2050, energy-saving performance equivalent to the ZEH/ZEB standards will be required for new properties after 2030 as part of demand for CO_2 emission reductions through improved energy efficiency. If unable to meet these requirements, the risks are that real estate prices will fall, and demand will decline due to increased operating costs. However, meeting the requirements offers opportunities for increased earnings as demand for ZEH/ZEB-compliant building increases and property values increase.

Our Policies, Strategies, and Initiatives

We are involved in development and operation of a range of real estate properties. To reduce both embodied carbon, which is emitted through construction, and operational carbon, which is emitted during the use of buildings, we are utilizing existing structures, adopting the latest equipment including smart meters and EMS, updating facilities, and introducing renewable energy both onsite and offsite, based on trends in customer demand and technologies. In addition, we are cooperating with tenants to implement environmentally friendly initiatives and working on acquiring environmental certification and developing properties to the ZEH/ZEB standards.

Other

Referenced scenarios (Macro environment:　changes in size of forest area)



* The NGFS (Network for Greening the Financial System) scenarios of Current Policies, Delayed Transition, and Net Zero 2050 closely approximate the temperature ranges of the STEPS, APS, and NZE scenarios, respectively.

Our Business Environment, Policies and Initiatives

Our Businesses

Forestry business

External Environment, Risks and Opportunities

With the trend toward carbon neutrality, the United Nations, COP26, and national governments are establishing many targets for such objectives as stopping forest destruction and land degradation, and increasing forest protection and the size of forest areas. In all scenarios, forest area is expected to slightly increase by 2050.
Under these circumstances, while monitoring of illegal logging and activities that can lead to deforestation will be strengthened, we believe that sustainable forest management and timber supply will increase in value.
Also in the future, demand is forecast to increase for carbon removal credits that recognize absorption of CO_2 in forest cultivation processes, and for alternatives to petrochemical products by using low environmental impact forest products from sustainable logging. We therefore expect competition around investment and development will intensify among countries and companies in this field.

Our Policies, Strategies, and Initiatives

We established the Forest Management Policy and the Sourcing Policy for Forest Products in 2022 as part of efforts toward sustainable forest management and sourcing of forest products. We also set Operational Guidelines for putting the policies into actions and conduct annual monitoring in accordance with these guidelines.
In line with these policies, we will expand our forestry business on the assumption of sustainable forest management. While supplying conventional forest products, we will also work to develop new products and businesses that contribute to the capture, storage, and utilization of CO_2.

[Disclaimer regarding forecasts]

The projections and forecasts contained here are based on information available as of the date of this announcement, and on certain assumptions and projections. Therefore, actual results and performance may differ significantly due to various uncertainties, including future economic trends and market prices. Neither the company nor the information providers assume any responsibility for any errors in the information posted or for any damages incurred based on the information presented.

Strategy: Physical Risks Related to Climate Change and Countermeasures

Each year, we identify the Group's sectors and businesses affected by physical risks and inspect the status of their response to these risks. In particular, for businesses with large outdoor sites or those that require large amounts of natural resources for operations, we use assessment tools to analyze the degree of impact of physical risks and individually check the status of their response.

[Identification of Risks and Status of Response at Sumitomo Corporation]

Since the Group operates in a wide range of sectors around the world, we refer to UNEP FI reports describing the impact of physical risks on major sectors, as well as other reports. We identify the major risk characteristics for each of our sectors that are likely to have a significant impact, as well as the major businesses we are involved in, as shown in the table below. This year, we have added forestry to this list.
Physical risks are largely divided into chronic risks that have continuous and chronic impacts on business activities, (e.g., rise in average temperatures, change in rainfall patterns, rise in sea level, etc.) and acute risks caused by unforeseen damage (e.g., escalation of extreme weather conditions such as huge rainstorms, flooding, drought, and forest fires, etc.). The impact is wide-ranging, including direct impact on production site facilities and working conditions, and indirect impact on a broad range of supply chains of raw materials and products. For our business in a broad range of fields and regions, we manage such risks by assessing the impact of local weather and geographical factors on our business at the time of investment, conducting continued assessments after participation in the business, clarifying the scope of contractual responsibility, and concluding nonlife insurance policies.

Sector	Awareness of the impact of physical risks in each sector		Principal business related to the risk described at left
	Chronic	Acute	
Energy	Water shortage resulting in decline in production efficiency and in operation efficiency, risk of submergence due to sea level rise, etc.	Damage on facilities, disruption of operation, etc., caused by flooding and huge rainstorms	Thermal power generation in Southeast Asia, Middle East and Africa, Wind power generation in Japan and overseas, biomass power generation in Japan, solar power generation, and other renewable energy generation businesses, etc.
Resource & Interest	Rise in temperature & water shortage resulting in decline in production efficiency, disruption in operation, risk of flooding with rise in sea level, etc.	Damage on facilities, disruption of operation, etc., caused by flooding and huge rainstorms	Mining operations in North America, South America, Australia, Africa, etc.; energy interests in Southeast Asia, Middle East & Europe; and sales of such resources and energy
Raw materials	Rise in temperature & water shortage resulting in decline in production efficiency, disruption in operation, etc.	Damage on facilities, disruption of operation, delay in raw materials/product shipment, etc., caused by flooding and huge rainstorms	Manufacturing, processing, sales, etc., of metal products, transportation equipment and parts, chemical products, materials, etc.
Transportation systems	Water shortage resulting in decline in production efficiency, disruption of operation, etc.	Damage on facilities, disruption of operation, delay in raw materials/product shipment, etc., caused by flooding and huge rainstorms	Manufacturing and sales, etc., of transportation equipment and parts
Real estate	Delay in project schedule, rise in utility cost, decline in property value with a rise in sea level, etc., resulting from rising temperature	Delay in project schedule, decline in property value caused by structural damage & flooding, etc., caused by flooding and huge rainstorms	Office building business, retail facilities business, residential business, logistics facility business, etc.
Agriculture	Rise in temperature & climate change resulting in decline in production efficiency, etc.	Disruption in operation, etc., caused by huge rainstorms, flooding or drought	Agriculture & import and wholesale of food products, retail sales business, etc.
Forestry	Temperature change resulting in changes in the growth environment, etc.	Decline in asset value of forest resources, etc., caused by natural disasters	Forestry business in Russia, New Zealand, etc.

[Results of Risk Analysis of Susceptible Businesses and Status of Response]

While physical risk includes a variety of risks, we have conducted a more detailed risk analysis of the sectors and businesses identified on the previous page as being susceptible to physical risk based on the factors such as having large outdoor locations or requiring a large amount of natural resources for operations.
In addition to power generation, upstream resources and energy, real estate, and agriculture businesses, we also conducted a risk analysis of forestry businesses this year using assessment tools such as the RCP8.5 scenario*1 based on the IPCC*2 scenario of a 4°C rise by 2100, mainly in terms of water stress, flooding and sea level rise, temperature rise, and forest fires, based on information such as the geographical information of major business sites, while considering the actual conditions of the businesses. For these businesses, we also confirmed that risk management was being conducted appropriately by assessing the impact of local weather and geographical factors on our business at the time of investment, conducting continued assessments after participation in the business, clarifying the scope of contractual responsibility, and concluding nonlife insurance policies.

Sector	Analysis Results and Status
Energy	Analysis of water stress on power generation business showed there areregions with possible water shortage. However, water used in our thermal power generation business, which uses large amounts of water for cooling, is supplied by seawater, water production facilities within the power plant, etc., leading to the conclusion that the risk of operation disruption caused by water shortage, etc., is not significant.
Resource & Interest	In the study of the resource & interest business in terms of water stress and continual temperature increase risk, there are regions found to have relatively high risk of long-term increase in the number of days when temperature reaches 35°C or higher and possibility of water shortage. Sumitomo Corporationplans to execute risk control through assessment of disaster risks vis-à-vis geographical conditions, etc., definition of working conditions with sufficient attention to temperature and other conditions, subscription to nonlife insurance, etc.
Real estate	In the real estate business, sufficient research and analysis are being conducted on flooding risks for various locations during the development studies stage. Property projects are being selected through conservative assessment of risks based on information from hazard maps and specific conditions of each property site, etc. In promoting project development, measures are being taken on physical risks in order to minimize them. For this reason, risks in the business portfolio as a whole are not considered significant.
Agriculture	In the analysis of temperature rise and water stress for major agricultural sites in each country, there are regions with a possible increase in the number of days when temperature rises to 35°C or higher andpossible water shortage. Although adverse impact is anticipated on such agricultural operations if such risks affect agricultural product quality, output, etc., Sumitomo Corporation has diversified crops and regions in the business and has therefore built risk resistance to a certain degree in terms of total performance.
Forestry	In the analysis of forest fire risk in the forestry business, it was confirmed that the risk is low for the forest assets currently owned by the Company. For our forests, we are taking measures in accordance with fire prevention plans, etc.

*1 Representative Concentration Pathway： A scenario in which the temperature rises by 4°C by 2100
*2 Intergovernmental Panel on Climate Change：Intergovernmental Panel on Climate Change

Risk Management

- Our business activities are comprised of a broad range of fields and regions and corelated with various social issues. Therefore, we formulated several policies to properly address social and environmental impacts resulting from our business activities and these policies are fully publicized in our group in order to take account of the various social issues.
- In detail, we evaluate social and environmental risks and check each business plan on how to respond to the risks as a part of our deliberation processes when considering and executing new businesses. Especially on climate change, we assess the following climate-related risks and opportunities resulting from various adverse effects and business environmental changes from climate transition, which may possibly have negative impacts on our business activities' feasibility. Then, those are discussed at Management Council and the Board of Directors according to the company regulations checking mainly the below points.
  - Impacts of climate change such as the frequent occurrence of natural disasters and extreme weather events
  - Impacts of introduction of regulations
  - Impacts of technology changes
  - Potentials of business expansion and performance improvement resulting from mitigation and adaptation action in markets
- Regarding our existing business, we regularly monitor both companywide and individual business management status on social and environmental risks in order to make use of such monitoring information for strategic decisions.
- Regarding response to climate-related risks, we regularly report the Board of Directors and the Management Council about the risk information from which each Group collecting climate-related regulations and market's changes when it expands its businesses and the Corporate Sustainability Department collecting and analyzing global climate trends including specific climate actions and regulations. In case that there are any unacceptable risks from the perspective of risk management for our business portfolio, measures including reduction of exposures may be considered and executed in collaboration with organizations responsible for risk management.

Metrics and Targets

Metrics and Targets

Targets : Effort for carbon neutrality

The Group set "Policies on Climate Change Issues" and long- and medium-term goals for Material Issues, and aim for realizing carbon neutrality by 2050 as well as contributing to carbon neutrality of society. The main points made in the policy and in the long-term and medium-term goals are as follows. Please check "Policies on Climate Change Issues" and "Material Issues" for details.

- Reduce the Group's CO_2 emissions 50% or more by 2035 (compared to 2019) Of which, Reduce CO_2 emissions of the power generation business by 40% or more by 2035 (of which reduce 60% or more for coal-fired power generation business)
- For coal-fired power generation business, no further involvement in IPP (Independent Power Producer) nor EPC (Engineering, Procurement, Construction) business and will end all the coal-fired power generation business in the late 2040s
- For thermal coal mine interest, no additional investment and reduce indirect CO_2 emissions generated from thermal coal mines to zero by the end of the 2020s
- Increase supply of renewable energy (5GW or more by 2030)

* The scope of business targeted for carbon neutralization is as follows
  - Direct CO_2 emissions from Sumitomo Corporation and its subsidiaries, as well as indirect emissions from the generation of energy used by each company (however, for power generation businesses, emissions from those affiliated companies under the equity method are also included)
  - Indirect CO_2 emissions associated with the use of energy resources produced by fossil energy concession of Sumitomo Corporation Group, its subsidiaries, and affiliated companies under the equity method

Index: Internal carbon pricing utilization index for achieving carbon neutrality

From April 2023, we have been operating an internal carbon pricing (ICP) system to calculate carbon emission costs. We utilize analysis from the system to consider companywide measures to create new climate-related business opportunities and check potential impacts on future businesses for decisions on investment.
In the ICP system, we use the outlook on carbon price of the Net Zero Emission Scenario (NZE) in the World Energy Outlook 2024 published by the IEA for conducting scenario analysis according to the location of new and existing projects.

＜Carbon price in our ICP＞

($/t-$CO_2$)

	2030	2035	2040	2050
Advanced economies with net zero emissions pledges	140	180	205	250
Emerging market and developing economies with net zero emissions pledges	90	125	160	200
Selected emerging market and developing economies (without net zero emissions pledges)	25	50	85	180
Other emerging market and developing economies	15	25	35	55

Results

CO_2 Emissions*1

(Thousand t-CO_2e)

Index		Result of FY2019 (The base year)	FY2024	Percentage of change	Reduction targets of 2035
Entirety		59,939	50,845	▲15.2%	50% or more
Sumitomo Corporation and its subsidiaries (other than power generation)*2		1,005	672	▲33.2%	-
Power generation business*3		43,126	38,610	▲10.5%	40% or more
	Of which, coal-fired power generation*3	34,452	32,429	▲5.9%	60% or more
Fossil energy concession*4		15,808	11,564	▲26.8%	-
	Of which, thermal coal mine interest	12,538	10,248	▲18.3%	Zero emissions by the end of the 2020s

*1 Figures for active power generation projects and fossil energy interests are calculated with the advice of a third party.

*2 Direct CO_2 emissions from Sumitomo Corporation and its subsidiaries, as well as indirect CO_2 emissions from the generation of energy used by each company

*3 Includes estimates for projects under construction and emissions from those affiliated companies under the equity method

*4 Indirect CO_2 emissions associated with the use of energy resources produced by fossil energy concession of Sumitomo Corporation, its subsidiaries, and affiliated companies under the equity method.

Net ownership generation capacity of Renewable energy

(MW)

Index	Result of March 31, 2020 (The base year)	Result of March 31, 2025	Targets of 2030
Renewable energy*	1,397	2,152	5,000 or more

* Includes capacity held by a fund whose management company is 51% owned by Sumitomo Corporation.

<Reference> Net ownership generation capacity portfolio

(MW)

	As of March 31, 2025
Coal-fired power generation	5,172
Gas-fired power generation	2,674
Renewable energy*1	2,152
Total	10,001

* Includes capacity held by a fund whose management company is 51% owned by Sumitomo Corporation.

Contributing to the sustainable development of local communities and the global environmental protection through the renewable energy business in Japan

Operating six solar and three wind power plants in Japan

Among power stations sourced by renewables such as solar, wind, biomass and geothermal energies, solar (photovoltaic) power plants generate the greatest amount of electricity in Japan. So called "mega-solar (far-over-MW photovoltaic)" power plants started to be constructed across the country in 2012, after the introduction of the Feed-in Tariff system.

In the 1990s, Sumitomo Corporation began importing polysilicon and other materials for Japanese photovoltaic panel manufacturers, while exporting their products to overseas markets. We subsequently started the development of mega-solar power plants in Europe and the United States, and from 2012, in Japan. Today, we own and operate mega-solar projects at six locations nationwide.

Construction of wind power plants came into full swing in Japan in the early 2000s, before mega-solar projects gathered momentum. Sumitomo Corporation started the commercial operation of its first wind power plant in 2004, when wind power generation had just begun to take off. We then launched several projects, including those in Kashima, Ibaraki Prefecture and Oga, Akita Prefecture, which are well into the operational stage today. In April 2025, a new onshore wind farm—among the largest in Japan—officially commenced commercial operations in the Abukuma region of Fukushima Prefecture.

The wind power plant in Kashima stands on a landfill site facing the Kashima-nada Sea. The nacelles of wind turbines bear the logos of the local football team (Kashima Antlers) and other local corporations. (Summit Wind Power Kashima Wind Farm)

Oga is an ideal site for wind power generation, with average annual wind velocity exceeding 6 m/sat many points. (Oga wind power plant)

Transforming Fukushima into a leading region for renewable energy through the Abukuma Wind Power Project

In April 2025, under the Fukushima Renewable Energy Promotion Vision and the Fukushima New Energy Society Concept, the Abukuma Wind Power Plants No.1, No.2, No.3, and No.4 (hereinafter collectively referred to as "the Abukuma wind farm"), which had been under construction since April 2022, officially commenced commercial operations under the Feed-In Premium (FIP / *1) system.

The Abukuma wind farm is one of Japan's largest onshore wind farm, with 46 wind turbines, each with a capacity of 3,200 kW, installed on ridgelines in the Abukuma region, spanning the municipalities of Tamura, Okuma, Namie and Katsurao in Fukushima Prefecture. The total generating capacity of the wind farm is approximately 147,000 kW, with an expected annual generation equivalent to the electricity consumption of approximately 120,000 households.

The renewable energy generated at the Abukuma wind farm will be supplied to multiple companies and municipalities with business operations in Fukushima Prefecture through Corporate Power Purchase Agreements (PPA / *2). A portion of the revenue from energy sales will be utilized for funding reconstruction projects in local municipalities where the wind farm is located through the Fukushima Prefecture Renewable Energy Reconstruction Promotion Council.

The Abukuma Wind Power Project will continue to contribute to Fukushima Prefecture’s reconstruction efforts through the stable operation of the wind farm and its returns to the local community. Fukushima Prefecture aims to establish its position as a leading region for renewable energy by generating an amount of renewable energy equivalent to more than 100% of its total energy demand, and this project plays a role in supporting that vision.

*1 FIP = Feed-in-Premium System. A system that provides a premium subsidy for electricity sold by renewable energy generators to encourage investment and promote the expansion of renewable energy. Electricity is sold on the wholesale power market or directly to individual power consumers.

*2 PPA = Power Purchase Agreement: A long-term agreement for purchasing renewable energy from power producers.

Abukuma Wind Farm

Solar power plants in Minamisoma stand as a symbol of restoration from the earthquake disaster

Our latest initiative in solar power generation is the development of a mega-solar power plant with a generation capacity of 92,000 KW in Minamisoma, Fukushima Prefecture, which suffered devastating damage from the Great East Japan Earthquake. In 2012, one year after the earthquake disaster, we began drawing up a plan to build a solar power plant with cooperation from the local municipality with the aim of making use of coastal land that subsided due to the tsunami. After overcoming numerous challenges, commercial operation commenced in March 2018 for the first phase of construction, and in December 2018 for the second phase of construction.

Fukushima Prefecture aims to expand its renewable energy power generation capacity to meet 100% of the prefecture's demand by around 2040. Installed on a vast plot of 150 ha land, which is 32 times the size of the Tokyo Dome stadium, the two solar power plants will not only contribute to achieving this target, but also stand as a symbol of restoration from the disaster for the regional people.

Sumitomo Corporation has the vision of operating its plants over the long term, even after the Feed-in Tariff period has ended, to continue supplying environmentally friendly and cost-competitive electricity to society. The prerequisite for fulfilling this vision is to build a relationship of trust with the local communities. The only way our facilities can sustain operations over decades to come is to be accepted and loved by the local people.

First-phase construction; Mano Migita Ebi solar power plant

Second-phase construction; Haramachi higashi solar power plant

Realizing optimal electricity management through Group-wide collaboration

Solar and wind power generation is susceptible to weather conditions. As a means of compensating for this weakness and ensuring stable electricity supply, Sumitomo Corporation is looking to use the storage batteries in its renewable energy business in pursuit of optimal electricity management. Furthermore, we are seeking to supply the electricity continuously and stably to consumers, in cooperation with Summit Energy Corporation, a subsidiary engaged in electricity retail business, who own and operate large-scale biomass power plants within the Group.

Our affiliate conducts panel inspections at periodical local meetings. (Second-phase construction; Haramachi higashi solar power plant)

Developing new renewable energy power generation projects

The Japanese government has set the 2040 target for the proportion of renewable energy in the domestic energy consumption mix to up to 40～50%. The Sumitomo Corporaton Group meanwhile, has a medium-term goal of increasing its renewable energy power supply capacity to at least 3 GW in combined total by 2030 and, toward this end, is expanding the development of carbon-free energy projects.

Regarding offshore wind power generation in Japan, which has been attracting attention, we were appointed as the operator for the project off the coast of Enoshima island, Saikai City, Nagasaki Prefecture, in December 2023 in a tender for selecting offshore wind power operators based on the Act on Promoting Utilization of Sea Areas in Development of Power Generation Facilities Using Maritime Renewable Energy Resources implemented by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism. We are currently proceeding with various surveys and design work in preparation for the start of commercial operation in August 2029, but we are also implementing various fishery promotion measures and regional development measures, aiming to be a business that is integrated with the local community.

Drawing on our long years of operational experience in solar, wind and biomass power generation, we are confident that we can contribute to the development of Japan's renewable energy power generation industry and the realization of a sustainable society.

Sustaining Indonesia's power supply with geothermal power generation

Renewable energy that is less susceptible to climate conditions

Geothermal power generation is a method used to generate electricity with a renewable energy source. The mechanism itself is simple: ground water is heated by deep underground magma near volcanoes, and the resulting steam turns the turbine of a generator that produces electricity. As it requires no fossil fuel consumption, geothermal power generation has a low environmental impact. Also, the cost of generating electricity is unaffected by fuel market fluctuations. Compared to other renewable energy sources such as solar and wind power, geothermal energy is undisturbed by climate conditions. Accordingly, this generation method can deliver electricity on a stable basis.

However, geothermal power generation entails some risks. It is unclear to know if enough hot water or steam (i.e. geothermal fluid) can be obtained for power generation until after a deep well has been drilled. In fact, some projects must be aborted as a result of drilling 2,000 to 3,000 meters in depth. Developing geothermal energy projects requires know-how of surface level surveys, ability to fund wells for drilling, ample time, and even a certain amount of luck.

Steamfield Above-Ground System (SAGS) extending from the Ulubelu production well (Ulubelu power station [left] and Lahendong power station [right])

Abundant geothermal resources in Indonesia

Business models for power generation infrastructure are generally grouped into two main categories: EPC and IPP. EPC refers to construction contracts where the Engineering, Procurement, and Construction of a power plant are contracted. Under EPC arrangements, the contract is typically fulfilled when the completed facility is delivered to the local government or company. IPP stands for Independent Power Producer, where the operator becomes the owner of the generating facility and sells electricity on an ongoing basis.

With a view to the diversification of power sources in the future, Sumitomo Corporation has kept a keen eye on geothermal power generation since the early days when these projects were becoming larger in scale and more practical, and began delivering related equipment in the 1970s. Indonesia has the second highest number of geothermal resources in the world. We began our work in geothermal power generation there in 1995, and won our first EPC contract for a geothermal power plant in 1997. To date, we have been involved in a total of 12 projects (17 units totaling approximately 900 megawatts of power generation capacity). This represents 40 percent of the total geothermal capacity in the country and is the highest among Japanese integrated trading and business investment companies.

Our success with numerous geothermal EPC projects has been built on the productive partnerships we have forged. Our partners include Fuji Electric Co., Ltd. the world's leading manufacturer of steam turbines for geothermal power stations, and an Indonesian company PT. Rekayasa Industri, which take charge of civil construction, installation and local procurement. Among our recent geothermal EPC projects are the Lahendong power station in north Sulawesi and the Ulubelu power station in south Sumatra.

Most geothermal power stations are located deep in rural mountainous areas. Encountering Sumatran tigers posed a threat during construction work for the Ulubelu power station on in Sumatra. (Ulubelu power station [left] and Lahendong power station [right])

Demonstrating persistence in geothermal IPP project development

Our first geothermal IPP project in Indonesia was the Muara Laboh project, launched in west Sumatra in 2011.

Geothermal power stations are generally developed and built in untouched mountainous areas near volcanoes. Development of a geothermal project beings with construction works which consists of clearing and leveling the ground at the project site. Muara Laboh is located in a remote area, requiring four to five hours of overland travel from the nearest airport. In March 2012, the Project Company which Sumitomo Corporation along with its partners invests in entered into a long-term power purchase agreement over 30 years with the Indonesian state-owned electricity utility. After obtaining a Government Guarantee Letter from the Ministry of Finance of the Republic of Indonesia, the Project Company embarked on trial well drilling.

However, as a result of drilling exploration wells, the need to downscale power generation capacity became clear. We renegotiated with the Indonesian government and the Indonesian state-owned electricity utility regarding the terms and conditions of the project. It took nearly two years before all parties reached a unanimous agreement. The next step was to make financial arrangements for the actual power station construction. After five years of concluding the initial long-term power purchase agreement, we were able to achieve finance close and start the construction work in March 2017.

We were also contracted to provide EPC services for the construction of this plant. To achieve our goal of completing our first geothermal IPP project in Indonesia on time and contributing to the country's electricity supply, we not only leveraged our expertise as an operator that we have cultivated through other IPP projects, but also our extensive experience in geothermal EPC projects and the comprehensive strengths of our electric power infrastructure business as well. Finally, we were able to commence commercial operation in December 2019 and has since continued stable operation.

It was unprecedented for a Japanese company to be involved in the development of an Indonesian geothermal power project from the earliest stage, even prior to test drilling. Systemic difficulties made negotiations on project terms and conditions as well as financial arrangements a prolonged endeavor. Despite this obstacle, the successful completion of the power plant was achieved, helping us build a foothold for our next projects in Indonesia. Currently, based on the confirmation of surplus steam during the development of the Muara Laboh project, we are advancing a similarly sized expansion project adjacent to the existing power plant. After several years of negotiation with the Indonesian state-owned electricity company regarding the terms of the power purchase agreement, we were able to sign the amended power purchase agreement on December 2024, achieve finance close on April 2025 and start the construction work. The plant is scheduled to commence commercial operation in October 2027 and after the start of commercial operation, the electricity generated will be sold to the Indonesian state-owned electricity company for approximately 25 years until the end of 2025. Combined with the existing power plant, this project is expected to contribute to supplying electricity to the equivalent of approximately 900,000 households. In parallel, we are developing Rajabasa geothermal IPP project, another new initiative on Sumatra Island.

Production well drilling at the Muara Laboh power station (left) and a panoramic view of the entire site

Indonesia to increase geothermal power generation capacity by 2.5 times by 2030

With the fourth largest population in the world at more than 270 million people, and an economy that continues to grow at around 5 percent per year, shifting to renewable energy and ensuring a stable supply of electricity have been national challenges for Indonesia. Geothermal power generation, which utilizes Indonesia's abundant geothermal resources, has been recognized as an effective means to simultaneously solve both of these issues, and the Indonesian government plans to increase its geothermal power generation capacity from the current 2,400 megawatts to 5,800 megawatts by 2030. The government is looking to Sumitomo Corporation, with its 20-plus years of experience in the construction of geothermal power plants and its experience in Muara Laboh geothermal IPP project, for support in this endeavor.

Geothermal power projects entail unique risks that other power sources do not. Building on our accumulated knowledge and expertise, we will contribute to the realization of a low-carbon society in Indonesia by managing those risks in cooperation with government agencies and financial institutions.

Good communication is essential among project staff. We also value communication with local community members and promote local hiring.

Related Information

- Start of Commercial Operation at Muara Laboh Geothermal Power Plant in Indonesia
- Contract Awarded by PT Pertamina Geothermal Energy for Construction of Units 5 and 6 at Lahendong Geothermal Power Station in Indonesia
- Contract Awarded by PT Pertamina Geothermal Energy for Construction of Units 3 and 4 at Ulubelu Geothermal Power Station in Indonesia
- Sumitomo Corporation to enter into Power Purchase Agreements for Geothermal Projects in Indonesia
- Purchase of Additional Equity Stake in Muara Laboh Geothermal Power Project in Indonesia
- Loan Agreement Signed for Expansion of Muara Laboh Geothermal Power Project in Indonesia

Participation in European offshore wind power projects

Rapid development of offshore wind power generation in Europe

The European Union ("EU") aims to increase its use of renewable energy to at least 42.5% of the EU's total energy consumption by 2030. Under this circumstance, the development of offshore wind power generation projects is growing rapidly in Europe. This technology involves large turbines installed in the sea that harness the power of the wind to produce electricity. Wind farms are currently being constructed in earnest, mainly in the North Sea, which borders Norway, Denmark, Germany, the Netherlands, Belgium, France and the United Kingdom ("UK").

The greatest advantage of offshore wind power generation is the absence of physical obstacles to wind, such as mountains and buildings. This increases efficiency in energy conversion and facilitates output projection. The vast open spaces of the sea are also convenient for the transportation of turbine blades, a headache for onshore wind power projects situated on restrictive land sites. The North Sea is particularly suited to wind farms since shallow waters stretch out for over 40 kilometers off the coast.

An offshore wind farm is often likened to a flock of egrets.

Four Belgian projects

Sumitomo Corporation entered the offshore wind power business in 2014. We participated in Belwind, Northwind and Nobelwind, Northwester2 wind farm projects, then in operation, under construction or in development in Belgium.

Constructing and operating these huge wind turbines requires stable funding, management skills to see the project through, and operational expertise. Having already accumulated considerable related experience through building and running conventional power plants and participating in onshore wind power projects in North America, China and South Africa, Sumitomo Corporation has been able to bring about successful outcomes in the Belgian projects.

A service vessel in the North Sea at sunrise—construction goes on day and night.

A towering offshore substation

Participation in projects expanding in Europe: From Belgium to the UK and then to France

Sumitomo's European bases for its offshore wind power business are Dusseldorf in Germany (European hub), London in the UK, and Paris in France. We have been exploring new business possibilities, working locally as an IPP firmly anchored in each locale and utilizing our global network as an integrated trading and business investment company to gather information.

The wind may agitate the sea, but it also makes turbine blades spin.

In fact, it was due to our steady local efforts, in addition to our highly acclaimed role in the Belgian projects, that we were able to successively take part in two British offshore wind farm projects, Galloper in 2016 and Race Bank in 2017. Wind farms of Race Bank and Galloper, far larger in scale than their Belgian projects, were completed in March and September 2018, respectively. Sumitomo Corporation's experience and know-how accumulated through the Belgian projects is utilized in the operation of these British wind farms. Following them, we have started the new project Five Estuaries, an extension of Galloper.

In 2018, we took part in the Le Tréport and Noirmoutier offshore wind projects in France, following our participation in Belgium and the UK. Le Tréport project is located in the English Channel about 15 kilometers off the coast of France and Noirmoutier project is located in the Bay of Biscay about 12 kilometers off the coast of France. We achieved financial close* for both projects in April 2023 and are currently constructing the wind farms for operation. The two projects have a total power generation capacity of around 1 gigawatt, enough to meet the consumption needs of 1.6 million people.

As evidenced here, the European offshore wind power market is expanding year by year. Our goal is to expand our business in this field by increasing our participation in projects in European countries, including for floating offshore wind turbine farms, an area for which growth is expected going forward. Sumitomo Corporation is moving in this direction, pursuing greater stability in power generation and higher cost competitiveness, so as to ensure continuity of power supply in Europe.

* Financial Close: Entering into a loan agreement for a project and meeting the lending requirements

Potential in Asia

Outside Europe, Asia, Oceania, and North America are attracting global attention for their lofty potential in offshore wind power generation.

In Asia, Japan, Vietnam and other countries are whose who draw much attention, not only because of its abundant wind resources over spacious oceans but also thanks to the government's commitment to renewable energy. Sumitomo Corporation applies the expertise acquired through the European projects to initiatives in Japan, especially for the offshore wind project in the sea areas off the coast of Enoshima Island, Saikai Chity, Nagasaki Prefecture of which we were appointed by the government of Japan (the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure , Transport and Tourism) to design, build and operate as the operator.

A wind farm at sunset shows various expressions.

Establishment of the Fund to Expand the Renewable Energy Business

In April 2018, Sumitomo Corporation integrated its conventional power and renewable energy business segments and established a global system to enable it to work on power generation projects in a seamless fashion. The company's objective in this area is to establish a robust energy business that contributes to society and preserves the global environment for future generations.

In 2019, Sumitomo Corporation, Sumitomo Mitsui Banking Corporation and the Development Bank of Japan established the first fund through Spring Infrastructure Capital (SIC), a fund management company jointly established by the three companies. The fund—the first fund in Japan to invest in offshore wind power projects overseas—has acquired the UK-based offshore wind farms as seed assets (assets for investment by the fund). In 2022, SIC established a second fund to acquire solar power generation projects in Japan as seed assets.

Through SIC, we will provide institutional investors with opportunities to invest in renewable energy assets both in Japan and overseas, and contribute to the development of global infrastructure centered on renewable energy.

To protect our planet while guaranteeing the day-to-day comfort and convenience that electricity provides, Sumitomo Corporation continues to vigorously promote its renewable energy business.

Related Information

- Completion of Northwester 2 Offshore Wind Farm in Belgium
- Sumitomo Corporation participates in development of Five Estuaries Offshore Wind Farm in the UK
- Financing secured and construction works commence for Eoliennes en Mer des Iles d'Yeu et de Noirmoutier Offshore Wind Farm Project in France
- Financing secured and construction works commence for Éoliennes en Mer Dieppe Le Tréport Offshore Wind Farm Project in France
- Establishment of Renewable Energy Fund

Providing the global market with sustainable wood resources

Managing forests to contribute to carbon neutrality across the globe

Wood represents a recyclable resource because trees can be systematically planted, grown and harvested repeatedly. In addition, wood is one of our most familiar resources. Sumitomo Corporation started wood business by importing logs, lumber and veneer into Japan to support the high economic growth of the country. Since the 2000s, the Company has also expanded the business to include forest management, with a view to securing and utilizing forest resources in a more sustainable manner. We are also supplying wood products coming from the forests that we manage, targeting not only Japan's matured market, which does not have much room for remarkable growth, but also markets with high growth potential around the world.

A port in New Zealand to export wood

Forests, which absorb and store CO_2, can contribute to carbon neutrality across the globe through proper management and harvesting. Sumitomo Corporation also conducts sustainable forest management by practicing environment-friendly harvesting in the forests owned and managed by the Company. Looking ahead, we are committed to further expanding forest resources on a global scale while leveraging the expertise we have built in forest management.

Achieving sustainable forest management in New Zealand through forestation

In March 2013, Sumitomo Corporation acquired forest in New Zealand and subsequently began to manage it through Summit Forests New Zealand. The foreset extends over about 50,000 hectares on the North Island, where Radiata pine is grown and harvested to be exported to China and other Asian countries.

Forest management entails much labor, such as thinning out and pruning. There are also management risks to consider, including damage caused by fires and storms. Moreover, it might also be necessary to establish roads, ports and other infrastructure to transport harvested trees. Despite these challenges, Sumitomo Corporation is engaged in forest management in order to ensure a stable supply of wood on a long-term basis.

Wild horses inhabit the forest in New Zealand, which is managed in an eco-friendly manner

In Summit Forests New Zealand, trees are planted, grown and harvested in a cycle of 30 years to supply wood resources in an environment-friendly manner. For this forest, Sumitomo Corporation employs local inhabitants. They have long been engaged in and have vast knowledge of forestry. They are therefore efficiently sharing the work of planting, growing and harvesting trees in the plantation. On an annual basis, trees are hauled from the forest in the volume of about 600,000 m3 (equivalent to the volume of 900 25-meter pools). Nature is preserved in the forest, with wild horses running free.

Sumitomo Corporation is thus managing the forest in harmony with the local environment, instead of just trading wood from the forest, and this approach is highly evaluated by the local people. Also, we are applying advanced technologies to the industry, particularly to support harvesting operations. This involves employing drone and satellite photography systems to grasp the topographic features of plantation areas and to confirm the dimensions of harvesting areas.

The forest area owned in New Zealand's North Island has been expanded to about 50,000 hectares

Related Information

- Summit Forests

Renewable Energy Related Business

We have entered power generation business using renewable energy, which is expected to grow as a medium- to long-term energy source, contributing to mitigating climate change.

As of March 31, 2025

Fuel	Power plant	Country	Generation Capacity (MW)
Solar power	Osaka Hikarinomori Project	Japan	10.0
	Solar Power Saijo	Japan	29.0
	Solar Power Kitakyushu	Japan	16.0
	Solar Power Tomakomai	Japan	15.0
	Solar Power Minamisoma/Kashima	Japan	59.9
	Solar Power Minamisoma/Haramachi	Japan	32.3
	EVM/EVM2	Spain	14.0
	Thang Long Industrial Park (TLIP)/TLIP Ⅱ/TLIP Ⅲ	Vietnam	25.1
Wind power	Oga Wind Power Plant	Japan	28.8
	Summit Wind Power (Kashima)	Japan	20.0
	Abukuma Wind Power Plant	Japan	147.2
	Datang Sino-Japanese (Chifeng) New Energy	China	50.0
	Stanton Wind Energy	USA	120.0
	Cimarron Ⅱ Wind	USA	131.1
	Ironwood Wind	USA	167.9
	Dorper Wind	South Africa	100.0
	Mesquite Creek Wind	USA	211.2
	Amunet	Egypt	500.0

Fuel	Power plant	Country	Generation Capacity (MW)
Offshore wind power	Northwind	Belgium	216.0
	Nobelwind	Belgium	165.0
	Northwester2	Belgium	219.0
	Galloper	UK	352.8
Woody biomass	Summit Handa Power	Japan	75.0
	Summit Sakata Power	Japan	50.0
	Summit Myojo Power	Japan	50.0
	Sendai-ko Biomass Power	Japan	112.0
Geothermal Power	Muara Laboh	Indonesia	85.0
Hydraulic power	CBK	Philippines	792.0

Green Building Initiatives and Issuance of Green Bonds

In our real estate business, we have formulated and implemented basic policies related to environmental, social and governance (ESG) issues. As a part of this, from fiscal 2024, we have also begun allocating sustainable finance (※) to proceeds of office buildings and logistics facilities that have obtained real estate environmental certifications such as CASBEE and BELS.

In addition, Sumisho Realty Management Co., Ltd. (“SRM”), a group company of our company, has obtained real estate environmental certifications such as CASBEE, DBJ Green Building, LEED and BELS for its fund properties currently under management, including SOSiLA Logistics REIT, Inc. (“SLR”). Also, SLR has been awarded “5 Stars” in the 2024 GRESB Real Estate Assessment and the highest “A Level” for the GRESB Public Disclosure, which measures the quality of ESG disclosure.
As the first J-REIT to formulate a green finance framework since IPO, SLR has been promoting ESG-oriented asset management through green finance. SLR issued Green Bonds worth 1.6 billion yen in July 2022 and 3.0 billion yen in June 2023 with aims to strengthen the funding platform by expanding the ESG investor base, along with promoting ESG initiatives. Funds procured through Green Finance are used for the acquisition of existing or new assets (including scheduled acquisition) of Eligible Green Assets that satisfy any of the following eligible criteria, used for the renovation of Eligible Green Assets, or repayment and redemption of loans (including Green Loan) and Investment Corporation Bonds (including Green Bonds) required for these.

* For details on our sustainable finance, please refer to the ‘Sustainable Finance’ page.

<Eligibility Criteria>

- **Green Building**
  Any of the following items that have been or will be certified
  - B+ rank, A rank, or S rank in CASBEE certification for new construction or for real estate
  - Three-star, four-star, or five-star DBJ Green Building certification
  - Three-star, four-star, or five-star BELS certification (2016 standard)
    * Excluding BEI over 0.75 for logistics facilities
    Level 6, Level 5 or Level 4 in BELS certification (2020 standard)
  - Silver, Gold or Platinum in LEED certification
- **Renovation of existing building**
  Renovation of the owned assets which meet the following;
  - To aim for improving environmental benefits such as reducing CO_2 emission, energy consumption or water consumption (30% or more decrease in its volume)
  - To improve the certification level by one rank, acquisition or reacquisition of the certifications
- **Energy Saving Equipment**
  - Costs related to renewal of air-conditioning equipment, conversion of lighting fixtures to LEDs, and introduction of power storage systems (expected energy savings of 30% compared with conventional systems)
- **Renewable Energy**
  Acquisition or installation of renewable energy power generation facilities (installed on the premises or on the rooftop of the property)

Major environmental certifications obtained by SLR (as of November 2024).

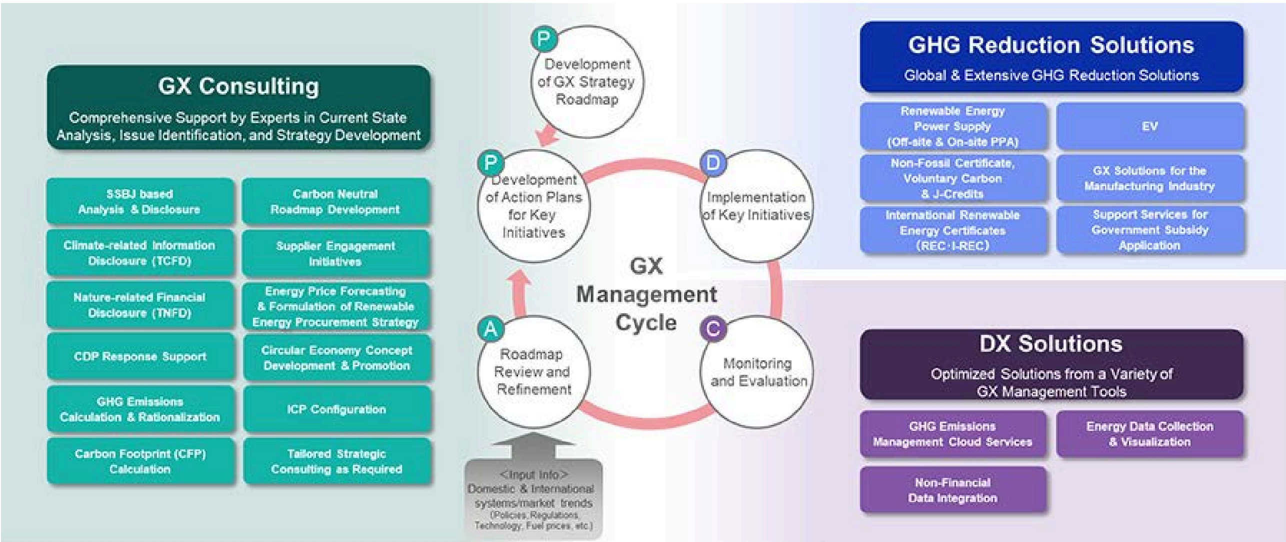
Certifications	Property Name	Evaluation
CASBEE: 11 properties	SOSiLA Yokohama Kohoku	Real estate Rank A
	SOSiLA Sagamihara	Real estate Rank A
	SOSiLA Kasukabe	Real estate Rank A
	SOSiLA Kawagoe	Real estate Rank A
	SOSiLA Nishiyodogawa I	Real estate Rank A
	SOSiLA Nishiyodogawa Ⅱ	Real estate Rank A
	SOSiLA Ebina	Real estate Rank S
	LiCS Narita	Real estate Rank A
	SOSiLA Itabashi	Building (New Building) A Rank
	SOSiLA Amagasaki	Real estate Rank S
	SOSiLA Yashio	Real estate Rank S
LEED: 1 properties	Atlanta Financial Center	SILVER

Certifications	Property Name	Evaluation
BELS：11 properties	SOSiLA Yokohama Kohoku	☆☆☆☆☆
	SOSiLA Sagamihara	☆☆☆☆☆
	SOSiLA Kasukabe	☆☆☆☆☆
	SOSiLA Kawagoe	☆☆☆☆☆
	SOSiLA Nishiyodogawa I	☆☆☆☆☆
	SOSiLA Ebina	☆☆☆☆☆
	SOSiLA Nishiyodogawa II	☆☆☆☆☆
	LiCS Narita	☆☆☆☆
	SOSiLA Itabashi	☆☆☆☆☆
	SOSiLA Amagasaki	☆☆☆☆☆
	SOSiLA Yashio	☆☆☆☆☆

GX Concierge, Providing Side-by-Side Support for Sustainability Management

To achieve sustainability management, companies need to develop a green transformation (GX) management cycle for the ongoing process of assessing their current GHG emissions, formulating GX strategies and measures, adopting GX solutions, and evaluating and revising the process. Sumitomo Corporation and ABeam Consulting have established a new joint-company called "GX Concierge Inc." to overcome climate change. Through this initiative, the company is developing a business that contributes to the promotion of GX in society by providing GX consulting services, GHG reduction solutions, and DX solutions.
Specifically, GX Concierge offers a variety of GX-related consulting services, including GHG emission calculations, support for information disclosure based on TCFD recommendations, short-term and long-term energy price forecasts, and the formulation of renewable energy procurement strategies. By providing various GX solutions that our group possesses to address the issues identified through GX Concierge's consultation, it supports the seamless promotion of GX for its customers. Furthermore, to meet the increasingly sophisticated needs of its customers, GX Concierge is expanding its services, including non-financial information disclosure based on SSBJ standards, TNFD recommendations, and the support for building circular economy initiatives.

Given our deep involvement in the supply chains of a wide range of industries, Sumitomo Corporation group will continue to aim for the realization of a sustainable society through GX Concierge, together with our suppliers and business partners.



ZEB Ready Certification for YAESUDORI FIL TERRASSE

YAESUDORI FIL TERRASSE which we have been developing with a partner, was completed in January 2025. . This building obtained ZEB Ready certification (for net zero energy buildings) in a first for office buildings that we have developed. The ZEB Ready certification is given to non-residential buildings that are able to reduce primary energy consumption by 50% or more compared to base energy consumption through various energy-saving measures.
This office building achieved a BEI value of 0.48 (52% reduction compared to the standard) by adopting Low-E glass and light shelves on the exterior, high-efficiency air conditioning equipment, changes in room illumination, and the addition of lighting control equipment, thereby realizing an energy-saving building with a low environmental impact. Eight office buildings (including those currently under development), including YAESUDORI FIL TERACCE, have received ZEB certification, and we plan to obtain ZEB certification for properties we will develop in the future as well.

Initiatives to reduce GHG emissions in Domestic Real Estate Business

To promote efforts toward decarbonization, we have used GX Concierge to calculate and visualize GHG emissions at office buildings, retail facilities, residentials and logistics facilities developed and owned by us ,and consider GHG reduction scenarios to achieve carbon neutrality by 2050.

As a concrete initiative to reduce GHG emissions, we are also working to reduce Embodied Carbon (EC) by renovating used office buildings, and have completed construction of WORK VILLA MITOSHIRO, KYOBASHI, and HIRAKAWACHO. In particular, WORK VILLA MITOSHIRO is focusing on environmentally friendly businesses, such as reducing Operational Carbon (OC) through energy conservation measures that meet ZEB Oriented standards.

Additionally, the SOSiLA series have obtained environmental certification and are securing green electricity for facilities by installing solar panels on the rooftops in order to provide logistics facilities with high environmental performance to its tenant companies and SOSiLA Logistics REIT, Inc. investors.

Operating an Environmentally Friendly Data Center

SCSK Group plays a central role in the IT business of Sumitomo Corporation Group. SCSK conduct management aimed at resolving social issues through business and achieving sustainable growth together with society.
Serving as an IT infrastructure platform to support the accelerating digitalization of customers, SCSK's data centers are also positioned as an important business in achieving our materiality of "contributing to the global environment."
SCSK Group is working on follow two measures: "mitigation" measures to reduce suppress the progress of global warming by reducing greenhouse gas emissions, such as CO_2, and "adaption" measures to prepare for natural disasters associated with climate change.

Contribution to Reducing Environmental Impact - Promotion of Green IT

In the data center business, SCSK Group is reducing greenhouse gas emissions. This includes adopting energy-saving IT equipment, implementing highly efficient cooling and air conditioning systems, and providing services that contribute to power saving, such as server virtualization and cloud services.

Contributing to Building Resilient Society Against Natural Disasters

SCSK's data centers are certified as robust facilities resilient to natural disasters, ensuring business continuity for customers who utilize the data centers and contributing to strengthening resilience. SCSK group also support customers' business continuity by, for example, preparing some of the rooms in the facility for customers to use as a disaster recovery room in the case of a disaster.

Going forward, the SCSK Group will continue its ambitious efforts to reduce greenhouse gas emissions by promoting further power conservation and the use of natural energy. And will contribute to the realization of a decarbonized society and the development of a sustainable society through the practice of environmentally friendly business activities and the creation of business opportunities.

Retrofitted EV Bus Business with Nishitetsu Group

Sumitomo Corporation is working with Nishi-Nippon Railroad Co., Ltd. (Nishitetsu) to develop a retrofitted EV bus business that converts existing diesel buses into electric vehicles. With reducing CO_2 emissions being an important challenge for the bus industry as well, EV buses have become increasingly important in recent years. However, only limited numbers of EV buses have been put into operation so far due to the high price of the vehicles. Focusing on this challenge, we have successfully deployed the Retrofitted EV Bus scheme, together with Nishitetsu Auto Body Tech Co ltd, with practical cost using EV kits powered by RAC Electric vehicles Inc. which is the leading EV bus manufacturer in Taiwan.

This business is an initiative that contributes to various social issues, including development of local society and economy, the circular economy, and mitigation of climate change. By introducing and expanding use of these domestic retrofitted EV buses by Nishitetsu and other domestic bus businesses, we will contribute to decarbonization of the bus industry in Japan.

Retrofitted EV bus assembled in Japan (operating in Fukuoka City from June 2023)

Contributing to the Decarbonization of Mining Sites Through the Supply of Trolley-assisted or AHS Mining Dump Trucks

Through our Komatsu dealer business, which currently operates in more than 30 countries, we are contributing to the decarbonization efforts of mining companies. Specifically, in Canada and Finland, we are supplying products that enable mining operations with reduced CO_2 emissions by electrifying some truck haulage processes using a trolley assist system and improving operational efficiency through the introduction of Autonomous Haulage System (AHS). In addition, what is remarkable is starting in fiscal 2024, we began considering collaboration with global engineering company ABB to realize decarbonization and electrification of mining equipment, and in November 2024, we concluded a MOU with the company to promote initiatives aimed at providing customers with one-stop solutions, including the introduction and implementation support of mining machinery equipped with technologies that contribute to decarbonization at mining sites. Because the characteristics of mining sites vary depending on the region and site, decarbonization efforts require providing optimal solutions tailored to those characteristics. Going forward, we will leverage our customer relationship that we have cultivated through our Komatsu dealer business to continue providing new products and services that meet the needs of our customers and on-site operations, thereby contributing to efforts toward decarbonization at mining sites.

Sustainable Use of Natural Resources and Circular Economy

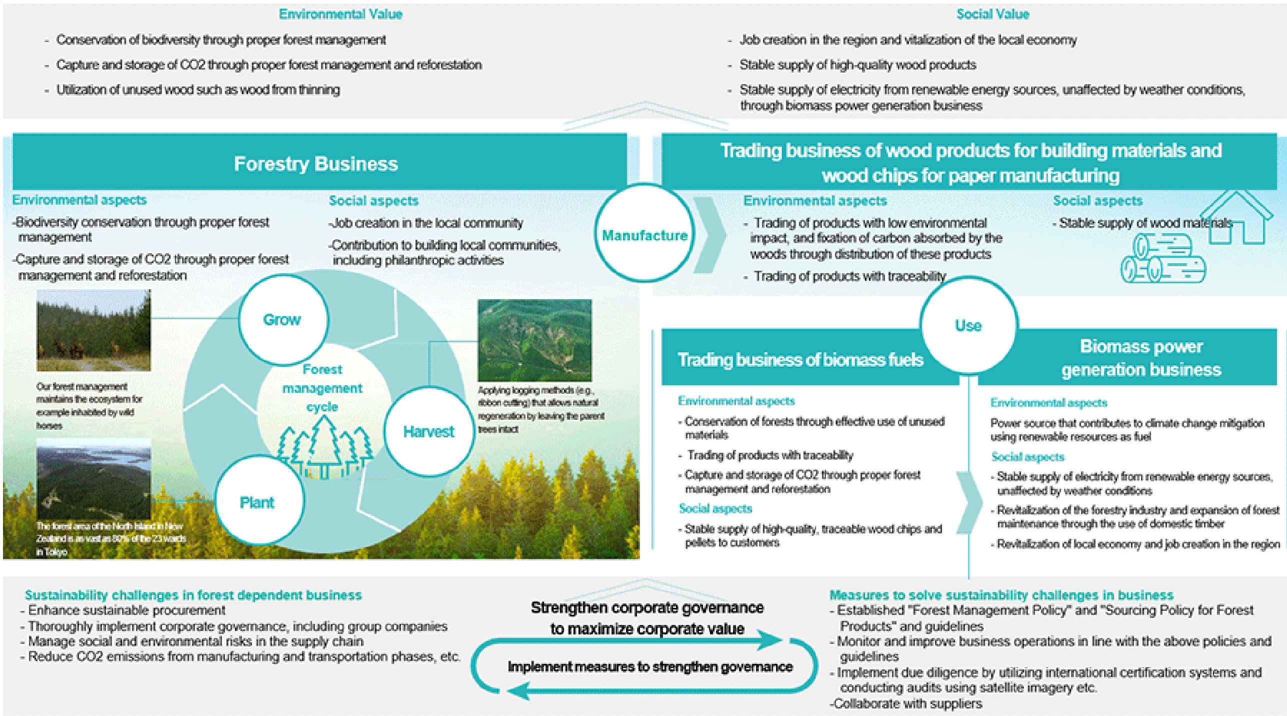
Basic Concept

Economic and social activities based on mass production, mass consumption, and mass disposal not only hinder sound material circulation, but are also closely related to various environmental issues, such as climate change, the depletion of natural resources, and the loss of biodiversity caused by large-scale resource extraction. Efforts to realize a circular economy, which is an economic system that aims to maximize the value of resources and products, reduces resource input and consumption, and minimizes waste generation, while transitioning away from conventional economic and social models, have become a shared challenge for the international community, alongside climate change mitigation and biodiversity conservation. In addition, in recent years, increasing emphasis has been placed on the role of the circular economy in enhancing industrial competitiveness and ensuring economic security.
The Group will make effective use of limited resources and contribute to the realization of sustainable resource recycling by switching to resource-saving technologies and products, and working on sustainable procurement from forests and other natural resources.

ESG Quantitative Data on Resources and Waste

Effective Use of Forest Resources

Forests are a circulative resource that can be permanently regenerated through continuous planned logging and regrowth. In addition to providing diverse food sources and timber products in each region, appropriate management of these resources contributes to the conservation of biodiversity and mitigation of climate change by capture and storage of CO2. The Sumitomo Corporation Group, conducting business using these precious resources, implements sustainable forest management to maximize the environmental and social value provided by them, while striving to strengthen governance to prevent deforestation, forest degradation, and human rights violations.



We established the Sumitomo Corporation Group Forest Management Policy and Sumitomo Corporation Group Sourcing Policy for Forest Products in March 2022. Furthermore, in order to reinforce due diligence to mitigate risks, we also set Operational Guidelines for putting the policies into actions.

Sumitomo Corporation Group Forest Management Policy

Established in March 2022

Scope of application

Forestry business directly managed by Sumitomo Corporation and its Consolidated subsidiaries. In addition, other forestry business that Sumitomo Corporation and its subsidiaries are involved in management are included if determined to be material.

Governance

This policy was approved by the Management Council and the Board of Directors of Sumitomo Corporation. If any serious issues arise in implementing this policy, measures and corrective action plans will be discussed at the Corporate Sustainability Committee and reported to the Management Council and the Board of Directors.

Commitment

Based on the principles of zero deforestation and respect for human rights, Sumitomo Corporation will strive to implement the following in its sustainable forest management, with the cooperation of its Group companies.

Environmental aspects:

- We will not engage in development that leads to gross deforestation, or the conversion of natural forests into plantations for forestry business.
- We will not develop forests with high conservation value (HCVF), or forests with high carbon stock (HCSF) such as in peatlands.
- We will work to protect endangered species and reduce the impact of our forestry business on ecosystems.
- We will conduct thorough management to prevent forest fires and will not conduct any operations which can cause forest fires.
- We will engage in forest conservation and reforestation.

Social aspects:

- We will conduct our forestry business with consideration for human rights in accordance with the Sumitomo Corporation Group's Human Rights Policy.
- We will respect human rights as stipulated in the "International Bill of Human Rights" and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work," and we will operate in accordance with the "United Nations Guiding Principles on Business and Human Rights."
- We will respect international norms related to the rights of indigenous peoples, such as the "United Nations Declaration on the Rights of Indigenous Peoples" and the "principle of Free, Prior and Informed Consent (FPIC)."
- We will support local communities through creating employment and offering educational programs related to forests.

Operational guidelines for Forest Management Policy

To reinforce due diligence to mitigate risks, we have also set operational guidelines for putting the policy into actions.

Risk assessment and monitoring:

- We will conduct environmental and social risk assessments in accordance with the Sumitomo Corporation Group Forest Management Policy before starting any new forest management. In addition, we will continue monitoring the status of our environmental and social commitments after the project started.

Certification:

- In addition to the above monitoring, we will make effective use of the internationally recognized forest management certification system for the forests managed by the Group and promote obtaining certification.

Stakeholder dialogue:

- In order to prevent global deforestation and forest degradation, we will promote the sustainable use of forest resources in society through dialogue with our stakeholders in the regions where our forests are located.
- We will develop a grievance mechanism* to respond to issues raised by our stakeholders.

Disclosure:

- In order to implement forest management with high level of transparency, we will strive to disclose information on our initiatives in accordance with the Sumitomo Corporation Group Forest Management Policy.

Reviewing process of the Guidelines:

- The Business Units will annually report on implementation of the policy to the Corporate Sustainability Department.
- Based on the report, the Corporate Sustainability Department will annually review the necessity of updating the Operational Guidelines.
- If any serious issues arise in implementing this policy, measures and corrective action plans will be reported to the Management Council and the Board of Directors.

* A process that employees, local residents or other stakeholders can use to lodge complaints regarding human rights violations and other issues related to enterprise’s business activities including its supply chain, for resolving such issues

Sumitomo Corporation Group Sourcing Policy for Forest Products

Established in March 2022

Scope of application

Logs, wood products (plywood, lumber, veneer, laminated timber), wood chips and wood pellets traded by Sumitomo Corporation and its Consolidated subsidiaries.

Governance

This policy was approved by the Management Council and the Board of Directors of Sumitomo Corporation. If any serious issues arise in implementing this policy, measures and corrective action plans will be discussed at the Corporate Sustainability Committee and reported to the Management Council and the Board of Directors.

Commitment

In accordance with the principles of zero deforestation and respect for human rights, Sumitomo Corporation will strive together with its Group companies to source products based on this policy while cooperating with suppliers and customers.

Environmental aspects:

- We will not procure materials sourced from lands associated with destructive forest use or development which leads to gross deforestation causing significant environmental impacts.
- We will not procure materials sourced from lands associated with serious environmental issues including the destruction of forests with high conservation value (HCVF) or high carbon stock (HCSF) such as in peatlands.
- We will not procure materials produced from genetically modified wood.
- We will procure in compliance with the Washington Convention to protect endangered species.

Social aspects:

- We will procure products harvested in forests where human rights are respected in accordance with the Sumitomo Corporation Group's Human Rights Policy.
- We will respect human rights as stipulated in the "International Bill of Human Rights" and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work," and we will operate in accordance with the "United Nations Guiding Principles on Business and Human Rights."
- We will respect international norms related to the rights of indigenous peoples, such as the "United Nations Declaration on the Rights of Indigenous Peoples" and the "principle of Free, Prior and Informed Consent (FPIC)."
- We will not procure materials produced from illegally logged wood.

Operational guidelines for Sourcing Policy for Forest Products

To reinforce due diligence to mitigate risks, we have also set operational guidelines for putting the policy into actions.

Monitoring:

- In order to procure forest products in accordance with the "Sumitomo Corporation Group Sourcing Policy for Forest Products," we will promote the use of products that have been certified by reliable international forest management certification systems. Additionally, we will request detailed information from suppliers through audit activities such as questionnaires and on-site visits.
- In order to ensure compliance with the Commitment, we will conduct supplier risk assessments and consult with non-compliant suppliers to request improvements. If no improvement is observed, we will consider reviewing the transaction.

Stakeholder dialogue:

- In order to prevent global deforestation and forest degradation, we will promote the sustainable use of forest resources in society through dialogue with our stakeholders, including suppliers and customers.
- We will develop a grievance mechanism* to respond to issues raised by stakeholders.

Disclosure:

- We will strive to disclose the status of our initiatives based on the "Sumitomo Corporation Group Sourcing Policy for Forest Products," including reporting on monitoring results.

Reviewing process of the Guidelines:

- The Business Units will annually report on implementation of the policy to the Corporate Sustainability Department.
- Based on the report, the Corporate Sustainability Department will annually review the necessity of updating the Operational Guidelines.
- If any serious issues arise in implementing this policy, measures and corrective action plans will be reported to the Management Council and the Board of Directors.

* A process that employees, local residents or other stakeholders can use to lodge complaints regarding human rights violations and other issues related to enterprise's business activities including its supply chain, for resolving such issues

Initiatives for Forest Management and Forest Products Procurement

We spoke to group companies conducting forest management to understand their response to mitigating environmental and social risks, including forest conservation, mitigation of impacts on ecosystems, and consideration of local residents, and we confirmed that activities conducted during FY2024 were in line with our Forest Management Policy. We also confirmed compliance of our forest product suppliers with the commitments of our Sourcing Policy for Forest Products during FY2024, using an annual questionnaire and on-the-spot surveys.

New Zealand Timber Business

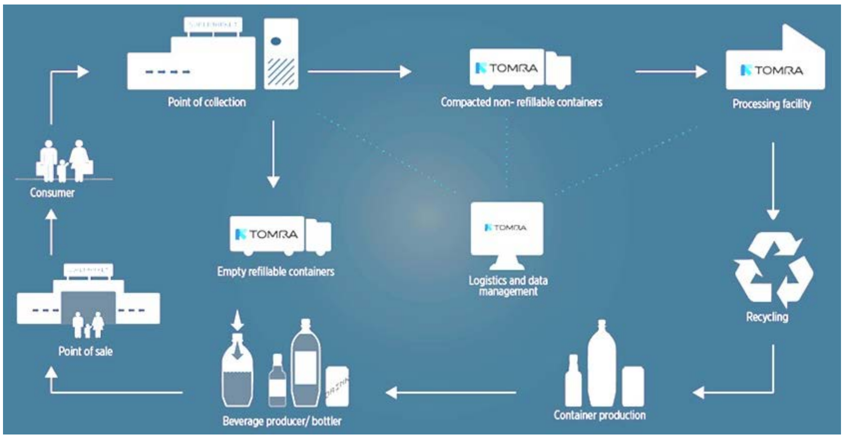
In New Zealand, a sustainable supply of timber resources is provided on a 30-year cycle through a harmonious arrangement with local communities under the environmentally friendly forest management system of planting trees, growing them, cutting them down, and replanting them. In the approximately 66,000 hectares of forest owned by Summit Forests New Zealand Limited., besides protecting water resources, cultural sites, and indigenous biodiversity conservation areas, the company has also forged friendly relationships with the indigenous Māori people in the course of running its business. Moreover, much of the company's forest holdings are international forest management certified, which offers objective proof that the company is managing the forest appropriately.

Forest owned by SFNZ

Please see here for more details on the Forestry business in New Zealand.

Tomra Japan: Creating and Deploying a PET bottle Recycling System in Which Consumers Take Part Actively

Reducing the usage of plastic resources while ensuring its effective consumption - importance of this issue is increasing year by year as a measure for addressing global environmental issues, such as marine litter and global warming. In this context, importance of resource recovery system is increasing, to materialize and enhance sustainable resource recycling. Tomra Japan is a joint venture between TOMRA Systems ASA (Norway) and our company. In addition to selling equipment such as reverse vending machines (RVMs) for the efficient collection of used PET bottles, we have also created and deployed a recycling system whereby we collect PET bottles from RVMs installed at supermarkets and other retail stores and deliver them to recyclers. RVMs only collect PET bottles after their caps and labels are removed by the consumers, this enables us to collect high-quality resources with fewer impurities. Through the supply of high-quality recovered resources, Tomra Japan has been contributing to horizontal recycling, in which fresh PET bottles are made from used PET bottles. In addition to such activities, in 2021 the company launched a new brand named “bottlium®” with the aim to contribute to the recycling of PET bottles into polyester clothing. As a practical example, the bottlium® material is being used for the attendant uniforms at the Sumitomo Pavilion, at Expo 2025 Osaka. By recycling PET bottles into clothing that can be repeatedly washed, continuing the horizontal recycling of PET bottles, and encouraging consumers to actively take part in collecting and recycling higher-quality resources in an efficient manner, Tomra Japan will continue to contribute to the reduction of environmental burden and the development of a recycling-based society.



Circulation recycling system with RVM as a platform

Reverse Vending Machine

“bottlium®” – New brand of recycled PET bottle by Tomra Japan. Made from the high-quality resources (used PET bottles) collected by Tomra Japan, through chemical agent-free aqueous cleaning process.
The highest quality expands the possibilities for various applications such as hollow fibers.

It is used in the jackets and pants of the attendant uniforms at the Sumitomo Pavilion.

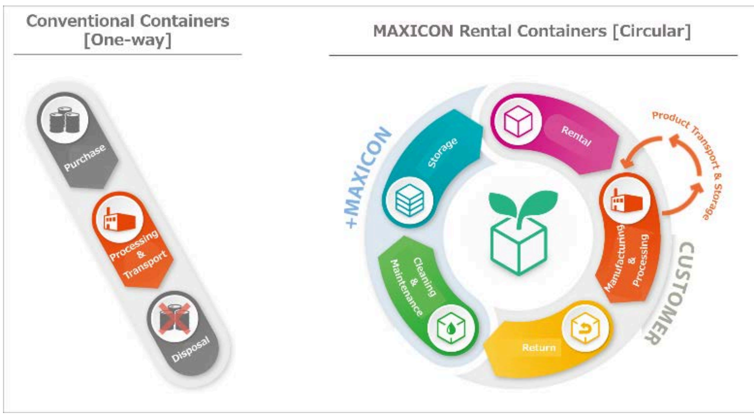
Sumisho Global Logistics Co., Ltd. From Disposable to Rental: MAXICON Liquid Transport Containers

Sumisho Global Logistics Co., Ltd.（SGL）, which handles the logistics functions of our group, operates a rental business for MAXICON, a foldable IBC (※) with inner liner. While traditionally many IBCs in the food and cosmetics industries were purchased as disposable items, MAXICON has led the industry as a pioneer of "rental IBCs," realizing circular logistics that significantly reduces waste.
Additionally, companies that previously used smaller containers such as 18-liter cans, bag-in-box packaging, and drums are increasingly adopting MAXICON due to its superior operational and transport efficiency, especially against the backdrop of serious challenges including Japan's aging population with low birthrate and rising freight and packaging material costs. This shift away from using/disposing of smaller containers contributes to resource conservation. From now on, SGL will continue working on sustainable logistics with MAXICON.

- MAXICON website (Japanese only)
- PV “What’s MAXICON?”

* Intermediate Bulk Container: medium-sized container with approximately 1,000L capacity

Flagship Product: MAXICON JMK-2



Circular Logistics by MAXICON

Initiatives for Reducing Environmental Impact on Non-Ferrous Metal Mining

Sumitomo Corporation is contributing to reducing the environmental impact of mining operations through our investment in JEX Technologies, Inc., based in Reno, NV, USA. JEX Technologies' Hydro-Jex® technology recovers residual metals from heap leaching pads in mines of copper, gold, and other metals. This technology increases metal production without increasing total tonnes mined, thereby reducing greenhouse gas emissions per unit of production, and indirectly contributing to the reduction in the number of new mines needed to meet global metal demand. Lastly, this technology improves the stability of heap leaching pads and reduces the risk of hazardous substance leakage.

Results

We are working toward our goal of actively promoting the sale of certified timber. The following table shows our actual use of certified timber in New Zealand (Summit Forests New Zealand) during FY2024.

FY2024 Results	
Certified log (New Zealand)	237 thousand tons

Water Resources

Basic Concept

Water is an essential natural resource. However, due to an increase in water demand as a result of population growth and economic development, there will be more and more areas where water will become scarce. According to the Organization for Economic Co-operation and Development (OECD), water demand is projected to increase by 55% between 2000 and 2050 and, in 2050, 240 million people will have no access to clean water and 1.4 billion people will be without access to basic sanitation.

Our Group conducts its business around the world, including in highly water-stressed areas. Fully recognizing the finiteness of water resources, we approach relevant issues both in terms of risk and opportunity through our efforts to reduce water consumption, improve efficiency, and establish water infrastructure.

Environmental-related data on Water

Water Business

While water demand is expected to increase on a global basis as a result of population growth, urbanization and industrialization, the infrastructure environment to ensure the supply of safe and hygienic water has not been improved and water issues are expected to become even more serious. In response, in the 21st century, water business that aims to address water issues has started attracting people's attention globally. Increasing awareness that developed countries are responsible for contributing to achieving a safe and hygienic living environment in developing countries has also contributed to the increased attention to water business.

We regard water business combining water supply and sewerage systems as an important pillar of social infrastructure. Based on this recognition, we are engaged in various business projects around the world. We have been expanding our water business from BOOT and BOO business*1 using private-sector capabilities*2, such as water and sewage treatment and seawater desalination, to fully privatized business in promising markets around the world, including areas with rapidly increasing water demand. We have realized substantial achievements in these business areas. We will continue to take on challenging issues in globally expanding and multifaceted water business by supplying safe and secure water using Japanese technology and responding to the demand for reducing social costs by using private capital.

*1 BOOT (Build-Own-Operate-Transfer) is a form of providing services under a long-term contract with the public sector and, after the contract period, transferring the business assets to the public sector
BOO (Build-Own-Operate) is a form of providing services under a long-term contract with the public sector as in BOOT but the assets will be maintained by the business operator.

*2 Use of private-sector capabilities: Use of business operation capabilities and funds of the private sector for business projects that have traditionally been conducted and financed by the public sector to increase efficiency

Country	Activity Description	Business category
Brazil	Investment in BRK Ambiental, one of the largest private water-related companies, holds assets of 23 business projects of water supply and sewerage treatment (our indirect ownership ratio is 14%). We are participating in promising water supply and sewerage treatment business in Brazil.	Water supply and sewerage treatment business
China	We established Capital Summit at 40% share ratio with Beijing Capital Eco-Environment Protection Group, a leading water infrastructure company in China. Capital Summit operates sewage treatment plants in Shandong Province and Zhejian Province.	Sewerage treatment business
Oman	We have been awarded a seawater desalination project using reverse osmosis membrane technology and private-sector capabilities/funds. Commercial operation was started in February 2016.	Seawater Desalination business

Biodiversity

Basic Concept

Sumitomo Corporation Group's business activities largely depend on the wealth of Earth's diverse living organisms as well as from the biodiversity that is generated by their many networks. Therefore, our Environmental Policy recognizes placing great importance on preserving the environment, including the natural ecosystem and biodiversity as an important issue for us. We make efforts to understand how our business activities that may have a significant impact on biodiversity depend on such biodiversity, as well as what kind of impact such activities have on biodiversity, in order to minimize their impact on ecosystems and contribute to ecosystem restoration.

Sumitomo Corporation Group Environmental Policy

Disclosure Based on the TNFD Recommendations

Contents

1. Introduction

In June 2022, Sumitomo Corporation endorsed the philosophy of the Taskforce on Nature-related Financial Disclosures (TNFD)* and joined the TNFD Forum supporting TNFD activities. In January 2024, the Board of Directors formally approved our registration as a TNFD Early Adopter of the recommended disclosures announced in September 2023, leading to our first disclosure under that framework in September 2025.

Through disclosures aligned with the TNFD Recommendations and ongoing dialogue with stakeholders, we aim to accelerate efforts to preserve and regenerate natural capital through our business activities.

* The Taskforce on Nature-related Financial Disclosures (TNFD) is an international organization that has developed a framework for appropriate assessment and disclosure of risks and opportunities related to natural capital and biodiversity.

2. Governance

Structure

The Sumitomo Corporation Group conducts risk and opportunity assessments, decision-making, and business execution and oversight under a governance structure of sustainability management. Please refer to Governance of Sustainability Management for the functions of the Board of Directors and the roles of our executives. The key management matters related to sustainability, and sustainability management measures, detailed on this page include natural capital-related topics.

We have established the Corporate Sustainability Committee that provides advice on sustainability measures and other matters to the Management Council, and the Sustainability Advisory Board comprised of outside experts that gives advice on sustainability, including natural capital, to the Corporate Sustainability Committee. Through this structure, advice is reflected in the decision-making of management on issues that are complex and require expertise. In May 2024, natural capital was added to our list of Material Issues. Since then, we have been working to strengthen related initiatives based on advice from our Sustainability Advisory Board.

We define various policies through discussion by the Board of Directors and Management Council, and operate businesses in line with those policies. They include natural capital initiatives such as helping to build a circular economy based on our Environmental Policy, carbon neutrality by 2050 initiatives for our own businesses and society based on our Policies on Climate Change Issues, and risk reduction initiatives such as engagement with diverse stakeholders (indigenous peoples, local communities, etc.) based on the Sumitomo Corporation Group's Human Rights Policy and international standards*.

Please refer to the following pages for details of each initiative.

- Environmental Policy and related initiatives
- Policies on Climate Change Issues and related initiatives
- Sumitomo Corporation Group's Human Rights Policy and related initiatives

* Including the International Bill of Human Rights, United Nations Guiding Principles on Business and Human Rights, Declaration on the Rights of Indigenous Peoples, and the principle of Free, Prior and Informed Consent (FPIC).

3. Strategy

We updated our Material Issues in May 2024 and added "Preserve and regenerate natural capital" to achieve sustainable growth through resolution of social issues, with consideration also given to the further aggravation of social issues such as climate change and the loss of biodiversity over recent years, the Group's strengths, and expectations from stakeholders. Additionally, we have set a medium-term goal of "accelerate initiatives toward a nature-positive world by 2030." To foster understanding of this target and strengthen related initiatives, we have defined our approach to achieving nature-positive as "Minimize the impact of our business on natural capital and continue to transform our business to preserve and regenerate natural capital." We will accelerate efforts on both fronts, reducing risks and creating opportunities through our business activities.

3.1 Risk reduction

We are committed to minimizing the impact of our business activities on natural capital.

Our Environmental Policy gives full consideration to preserving the environment, including the natural ecosystem, and maintaining and preserving biodiversity. Following the Environmental Policy, we conduct environmental impact assessments, based on international standards and the laws and regulations of each country, of businesses that are traditionally considered as areas of high nature-related risk, including mining businesses, large-scale development businesses (power generation businesses, etc.) and forestry businesses. We also formulate individual policies if needed and manage suppliers through which implemented measures to mitigate individual impacts on natural capital of those businesses. For example, we have formulated our Forest Management Policy to define sustainable forest management practices in our forestry businesses, and our Sourcing Policy for Forest Products to set out our environmental and social commitments to forest products sourced by all our businesses, and we manage those businesses in line with the policies. (Please refer to our page on Sustainable use of natural Resources and Circular economy for details.)

Additionally, in FY2024, to strengthen our risk-based approach, we began conducting new risk analyses based on natural capital. These analyses identify high-risk businesses and supply chains within the Sumitomo Corporation Group, assessing current and future risks through scenario analysis and deciding on measures to address those risks. For high-risk businesses, we have already identified priority sectors and operations requiring action and conducted risk analyses for five businesses. As a result, we confirmed that measures such as implementing environmental impact assessments, reducing freshwater intake through seawater desalination, and carrying out conservation activities are already in place to lessen impacts on natural capital. For supply chains, we have begun identifying priority supply chains by weighing factors such as whether they handle commodities with a high impact on nature. (Please refer to the "4. Risk & impact management" section below for details.)

3.2 Creating opportunities

We seek to develop new natural capital-related businesses.

In particular, we believe the development of products, services, and schemes that encourage the shift toward a circular economy offer significant business opportunities. Examples of our specific initiatives including the following:

- PET bottle and other collection and recycling operations at Tomra Japan
- Aircraft part recycling operations at Werner Aero
- Proof-of-concept trials aimed at establishing solar panel reuse and recycle businesses

We are also participating in the Ministry of Economy, Trade and Industry's "Circular Partners (CPs)" program to help develop rules, network, and create businesses that contribute to a circular economy.

Furthermore, to quickly capture emerging trends surrounding natural capital and to promote cross-organizational efforts to preserve and regenerate natural capital through our businesses, we have established the Nature Positive Working Group in FY2023. The working group, led by the Chief Strategy Officer, brings together members from multiple business groups and corporate units. The membership has grown and currently it consists of 50 members. Members share case studies and external trends, strengthening collaboration to accelerate business creation. As an example, we became involved in the carbon credit business through mangrove reforestation in FY2025. The business allows us to contribute to nature positive outcomes by not only promoting market growth toward decarbonization, but also by improving ecosystem services through activities such as using mangroves to provide habitats for diverse species, improving water quality, and contributing to local communities by creating jobs and improving livelihoods for those engaged in mangrove cultivation and management.

We are striving to both reduce risks and create opportunities in the ways listed above. However, we recognize that society as a whole is in the process of developing initiatives toward a nature-positive world, including the expected formulation and updating of international rules and indicators going forward. Therefore, we will work to accurately understand changes in the external environment and update the strategies or respond as necessary, while actively engaging in dialogue with investors and other stakeholders.

4. Risk & impact management

4.1 Structure for managing risks and impacts

The business activities that we conduct as a Group have connections with various social issues. To always reflect those social issues in our management decisions and business execution, we establish company-wide frameworks and policies to appropriately assess, manage, and address the social and environmental impacts of those businesses, and we work to ensure awareness and implementation within the Group. Please refer to Risk Management for details of our approach to social and environmental risks and our related management structure.

4.2 Management of nature-related risks and impacts of new businesses

In the review process for new investments, the Strategic Business Unit (SBU) in charge of executing the investment conducts social and environmental risk assessment. For example, the assessment contains eight main social and environmental sections focusing on impacts on human rights and local communities, environmental pollution and destruction of nature, and climate change risks. The assessment covers our own business activities in new businesses (companies in which we invest), and those of the supply chain such as their business partners, subcontractors, and direct suppliers, and if problems or issues are identified, we implement any necessary remedy while referring to international standards and criteria. Depending on the size and importance of the new business, the assessment results are used in discussions of the Company Investment Committee, which is an advisory body of the Management Council, and the Management Council, Board of Directors, and other bodies make decisions in light of those discussions.

Assessment category	Natural capital-related assessment requirements, etc.
I. Human rights of workers	Human rights of workers in business fields with high nature-related dependencies and impacts
II. Impact on local communities	Rights of Indigenous Peoples and Local Communities (IPLCs) during large-scale land acquisition and utilization, including changes to ecosystems, and large-scale water withdrawal and discharge
III. Environmental pollution and destruction of nature	Possibility of outflows or waste and handling/leakage of hazardous materials or chemical substances, environmental pollution such as air, water, and land pollution, or destruction of ecosystems, associated with own business activities
IV. Sustainable procurement	Risks associated with production or procurement of raw materials, including depletion of precious natural resources, destruction of forests, or human rights risks
V. Partners, subcontractors, supply chain	Reports, or criticism by NGOs, about environmental pollution or destruction of nature by business partners, subcontractors, and direct suppliers, etc.
VI. Risks related to new technologies	
VII. Other risks	
VIII. Climate change	Possibility of long-term escalation of climate change, or chronic occurrence of natural disasters or abnormal weather conditions, impacting on business performance

4.3 Management of nature-related risks and impacts of existing businesses

Given the diverse nature of our Group’s existing businesses, the degree of dependence and impact on natural capital varies by business sector and region. While we have traditionally addressed these different features through individual initiatives tailored to each business, we believe that, in order to promote our medium-term goal to “Accelerate initiatives toward a nature-positive world by 2030,” it is also necessary to organize and assess risks and impacts from a company-wide perspective and to consider appropriate measures accordingly.

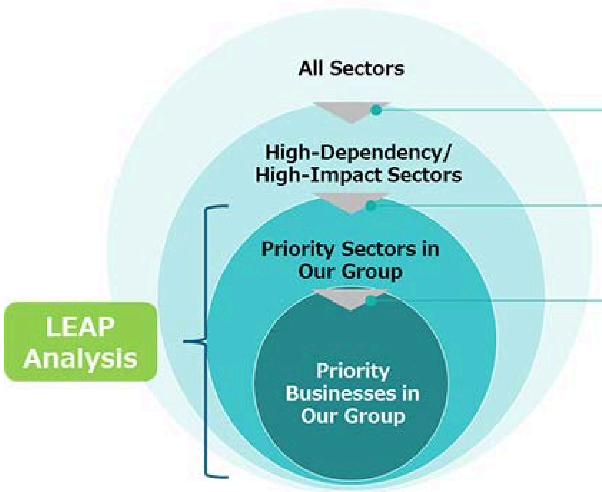
Since FY2024, we have initiated a risk-based approach that takes a cross-organizational view of the Group’s businesses, including the supply chain, to identify those with high levels of dependence and impact on natural capital, and to manage and address them on a priority basis. The entire supply chain is broadly categorized into our Group companies’ operational sites (direct operations) and other parts of the supply chain. We are identifying priority businesses as well as identifying and assessing nature-related risks and opportunities for each category.

Note:Nature-related risks and opportunities include those related to climate change; however, our company has already conducted and disclosed climate-related risk and opportunity analyses for 22 businesses across six sectors in accordance with the Task Force on Climate-related Financial Disclosures (TCFD). Therefore, under the TNFD framework, our analysis and disclosure of nature-related risks and opportunities focus on factors other than climate change, such as water and ecosystems. For information on climate-related risks and opportunities, please refer to our Climate Change page.

4.3.1 Initiatives for direct operations

The overall framework for identifying priority businesses within our Group’s direct operations is outlined below.

Overview of the priority business identification process



Filtering step based on risk-based approach	Section number in this disclosure
Use ENCORE to identify sectors among our business areas that have high dependency and impact on nature	4.3.1.1 (1)
Out of those sectors, designate those in which we have direct operational involvement as priority sectors	4.3.1.1 (2)
Within the priority sectors, identify businesses located in ecologically sensitive areas through location analysis, and designate those of certain business scale or above as priority businesses	4.3.1.1 (3)

4.3.1.1 Steps for identifying priority businesses

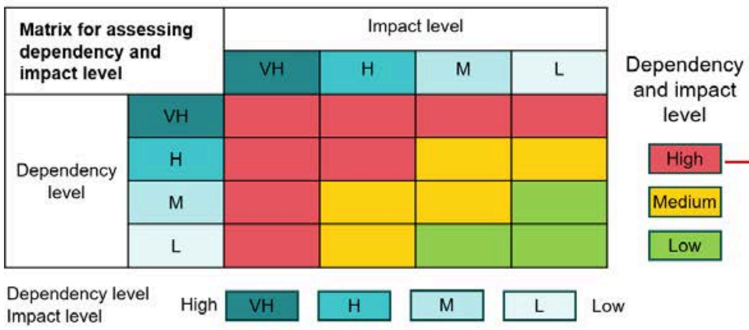
(1) Identification of generally high-dependency and high-impact sectors

As the first step, we analysed the overall business portfolio to assess the degree of dependence and impact on natural capital, and identified sectors that are generally considered to have high levels of both.

Using the internationally recognized tool ENCORE*, we assessed 33 categories across each sector to evaluate their dependence and impact on natural capital. Based on the results, both dependence and impact levels were categorized into four tiers: "Very High (VH)," "High (H)," "Middle (M)," and "Low (L)." Sectors were classified as high-dependency and high-impact if either the dependence or impact level was rated "Very High (VH)," or if both were rated "High (H)," the second-highest possible rating. As a result, 20 sectors were identified as high-dependency/high-impact sectors.

* ENCORE: A tool used to assess the level of sector-specific dependence on and impact to natural capital. It is maintained and managed by multiple organizations, including the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

Selection of high-dependency, high-impact sectors through analysis of general dependency and impact factors related to natural capital



High-dependency, high-impact sectors (20 sectors)	Dependency level	Impact level
Homebuilding-Construction	L	VH
Highway & Railtracks Construction	L	VH
Construction Material Production	H	VH
Hydropower Production	H	VH
Geothermal energy production	H	H
Solar energy provision	H	H
Infrastrcuture Builds	L	VH
Integrated Oil & Gas	H	VH
Forest Products	VH	H
Aquaculture	VH	H
Freshwater wild-caught fish	H	H
Saltwater wild-caught fish	H	H
Livestock	VH	H
Agriculture	VH	H
Marine Ports and Services	L	VH
Mining	L	VH
Industrial Gases	L	VH
Thermal Power Stations	H	VH
Apparel	H	H
Paper Products	H	H

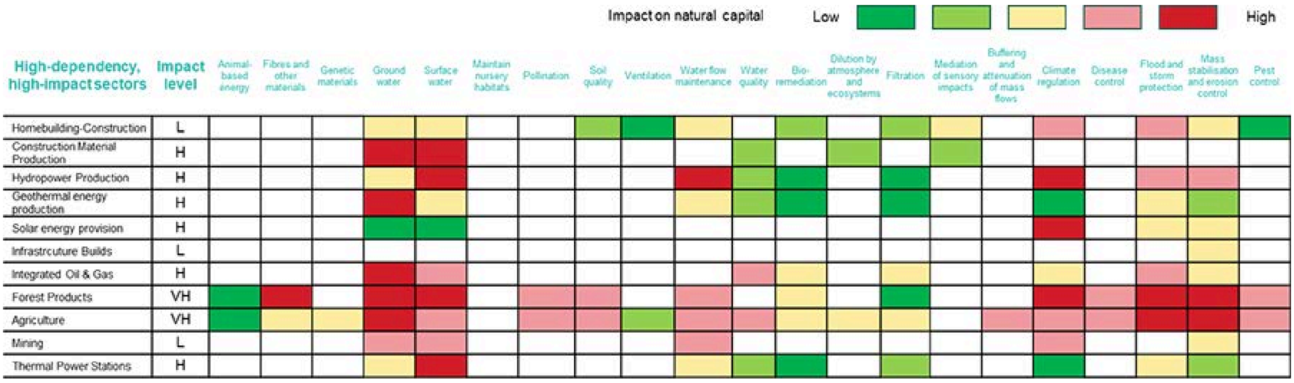
(2) Identification of priority sectors within our group

As the next step, we mapped the generally high-dependency and high-impact sectors identified earlier against more than 50 direct operations within our Group and identified 11 priority sectors specific to our Group. The levels of dependence and impact on natural capital for each priority sector are shown below.

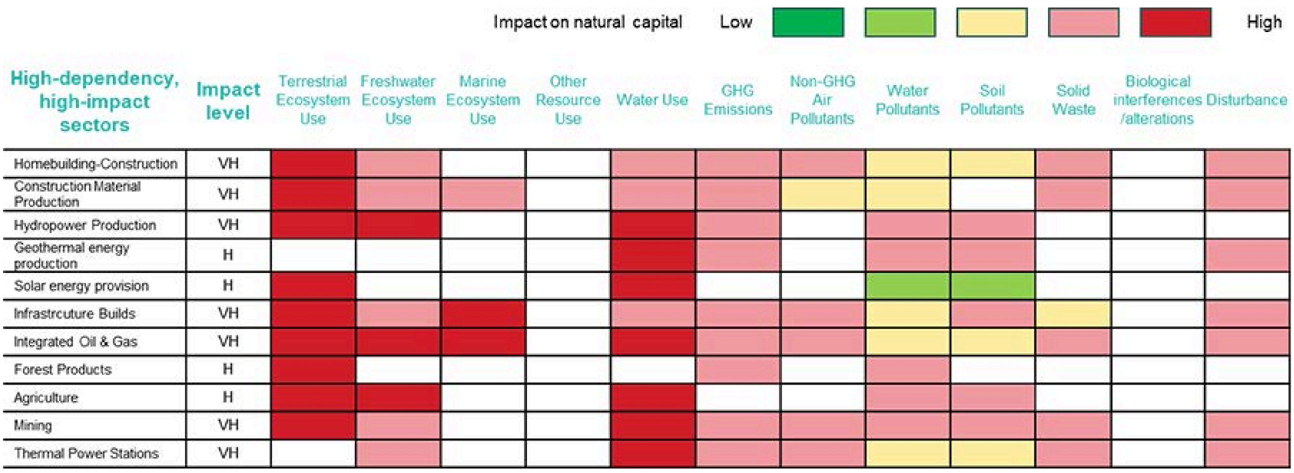
List of priority sectors within our Group

Priority sectors (11 sectors)	Dependency level	Impact level
Homebuilding-Construction	L	VH
Construction Material Production	H	VH
Hydropower Production	H	VH
Geothermal energy production	H	H
Solar energy provision	H	H
Infrastrcuture Builds	L	VH
Integrated Oil & Gas	H	VH
Forest Products	VH	H
Agriculture	VH	H
Mining	L	VH
Thermal Power Stations	H	VH

Assessment results for 21 dependency categories by priority sector



Assessment results for 12 impact categories by priority sector



Reference: ENCORE Explore Tool (2018–2023 edition)

(3) Identification of priority businesses within our group

Since the impacts, dependencies, risks, and opportunities related to natural capital can vary significantly depending on location, it is essential to take regional characteristics into account. Accordingly, as the next step, we conducted a location-based analysis of over 50 direct operations associated with the identified priority sectors to determine which businesses are situated in ecologically sensitive areas.

Given the limited availability of external tools capable of assessing site-specific risks, our location analysis focused on four key indicators: "Water Stress," "Ecosystem Sensitivity," "Tree Cover Loss," and "Indigenous and Community Lands."

The methods used to analyse each of these indicators are described below.

Location analysis methodology

Analysis Item	Analysis Tools and Indicators	Key Assessment Perspective	Potential Impact	Evaluation Scale
Water Stress	**Aqueduct** ・Water Stress	Whether the business site is located in an area of high water stress	Water withdrawal associated with business activities may affect local water resources. Depletion of water resources could in turn impact business operations.	Three-level evaluation High/Middle/Low
Ecosystem Sensitivity	**Global Forest Watch** ・Biodiversity (KBA, AZE) ・Land Use (Protected Areas) ・Land Cover (Primary Forests, Mangrove Forests)	Proximity of the business site to areas of high biodiversity importance or high ecological integrity.	Potential impact on valuable natural environments, such as protected areas or regions with high biodiversity.	Three-level evaluation High/Middle/Low
Tree Cover Loss	**Global Forest Watch** ・Forest Change (Tree Cover Loss)	Whether there are areas near the business site with significant vegetation loss	Loss of vegetation functions—such as soil retention and protection from flooding and storms—may affect business operations.	Two-level evaluation High/Low
Indigenous and Community Lands	**Global Forest Watch** ・Land Use (Indigenous and Community Lands)	Whether lands of indigenous peoples or local communities are present near the business site	Potential impact on lands of indigenous peoples and local communities	Three-level evaluation High/Middle/Low

We conducted analysis of Water Stress and Ecosystem Sensitivity for all applicable businesses. For Tree Cover Loss and Indigenous and Community Lands analysis was performed only for businesses where these factors were relevant, taking into account the characteristics of each sector.

Based on the results, among the businesses rated “High” in at least one of the four indicators, we identified priority businesses from the perspective of natural capital at our Group by considering the scale of capital investment and strategic importance.

Among the priority businesses identified through the above steps, we will disclose the LEAP analysis results for the following five businesses in FY2025.

Sector	Project
Agriculture	• Fresh produce business in Europe and the Americas: Fyffes
Mining	• Copper mining project in Chile: Quebrada Blanca • Iron ore and manganese mining project in South Africa: Oresteel • Iron ore mining project in Brazil: MUSA
Thermal Power Generation	• Gas-fired power generation project in the UAE: Hamriyah

None of the five projects subject to location analysis for Indigenous and Community Lands were found to be situated in areas with a high risk of rights infringement related to such lands or territories. Accordingly, further details on this topic have been omitted. Nonetheless, regardless of the results of the risk assessment, our Group remains committed to respecting human rights and upholds international norms concerning the rights of indigenous peoples, such as the United Nations Declaration on the Rights of Indigenous Peoples and the principle of Free, Prior and Informed Consent (FPIC). In regions where indigenous peoples reside, we recognize their unique cultures and histories, comply with applicable laws and environmental permitting requirements of the respective countries or regions, and conduct our operations with due consideration for indigenous peoples and local communities.

Reference: Respect for Human Rights

4.3.1.2 Leap analysis results for priority businesses

(1) Leap analysis process

The analysis was conducted in accordance with the LEAP approach (Locate, Evaluate, Assess, Prepare) recommended by the TNFD, as outlined below.

	Locate/Evaluate	Assess	Prepare
Analysis Item(s)	**Sectoral dependency and impact on nature** Potential risks at the sector level **Location analysis** Importance of the business site to nature	**Identification and assessment results of potential risks** Summary of potential risks for each project **Business-specific assessment of potential risks** Resilience analysis of individual businesses	**Response measures** **Targets and indicators** **Future outlook**
Subject of Risk Analysis	General analysis based on sector and location data	Project-specific analysis based on business activities	Project-specific analysis based on business activities

(2) Summary of leap analysis for priority businesses

A summary of the results of analysis conducted for each priority project is as follows.

For all businesses, it was confirmed that appropriate measures have already been implemented to address the items identified as high risk in the location analysis.

	General analysis based on sector/location			Analysis based on business content	
	Locate&Evaluate			Assess	Prepare
	Sectoral Dependency and Impact Analysis Areas Requiring Special Consideration	Location Analysis Analysis Item	Analysis Result	Current Measures and Risk Assessment	Future Actions ＊Analysis results are only high/middle risks
Fyffes (Agriculture)	[Dependency] ・Protection from floods and storms through vegetation ・Stabilization and erosion control along coastal and other areas through vegetation ・Groundwater [Impact] ・Water use ・Use of terrestrial ecosystems ・Use of freshwater ecosystems	Water Stress	Low	**Assessed as low risk** due to low water stress level	–
		Ecosystem Sensitivity	High	Measures: Obtained Rainforest Alliance 2020 certification; designated protected areas equivalent to 20% of owned land; biodiversity monitoring, etc. Risk Evaluation: **Risk is already addressed through existing measures**	Current initiatives and monitoring will be continued.
		Tree Cover Loss	High	Measures: Conservation of natural vegetation, reduction of use of agricultural pesticides etc. Risk Evaluation: **Risk is already addressed through existing measures**	Current initiatives and monitoring will be continued.
Quebrada Blanca (Mining)	[Impact] ・Water use ・Use of terrestrial ecosystems	Water Stress	High	Measures: Installation of desalination facilities; water recycling Risk Evaluation: **Risk is already addressed through existing measures**	Current initiatives and monitoring will be continued.
		Ecosystem Sensitivity	Low	**Assessed as low risk** due to low water stress level	–
Oresteel (Mining)	[Impact] ・Water use ・Use of terrestrial ecosystems	Water Stress	High	Measures: Use of reclaimed water and rainwater; setting targets for water use per production unit; region-wide water management etc. Risk Evaluation: **Risk is already addressed through existing measures**	・Continued monitoring of current initiatives. ・Transition (Regulatory/Technological) Risk: Attention paid to local regulations and developments。
		Ecosystem Sensitivity	Low	**Assessed as low risk** due to low water stress level	–
MUSA (Mining)	[Impact] ・Water use ・Use of terrestrial ecosystems	Water Stress	Low	**Assessed as low risk** due to low water stress level	–
		Ecosystem Sensitivity	High	Measures: Proper waste management; flora and fauna rescue programs; implementation of dry stacking system; water quality monitoring Risk Evaluation: **Risk is already addressed through existing measures**	Current initiatives and monitoring will be continued.
Hamriyah (Thermal power generation)	[Impact] ・Water use ・Surface water	Water Stress	High	Measures: Installation of desalination facilities completed; no use of surface water or groundwater Risk Evaluation: **Risk is already addressed through existing measures**	Current initiatives and monitoring will be continued.
		Ecosystem Sensitivity	Middle	Measures: Simulations were conducted to assess the effects of thermal discharge and brine generated from power plant cooling and desalination processes. It was confirmed that there is negligible impact on the ecosystem Risk Evaluation: Although a nature reserve (wetland) is located nearby, **appropriate measures are already in place to mitigate the potential risks**	Regular monitoring is conducted through marine ecosystem surveys.

(3) Detailed LEAP Analysis by Individual Business

[Agriculture Sector] Fresh Produce Business in Europe and the Americas: Fyffes

(1) Project Overview

Fyffes, a subsidiary of Sumitomo Corporation (hereinafter “the Business”), engages in a wide range of activities including the production, distribution, and sale of fresh produce. Bananas and pineapples serve as the company’s core product, produced and sourced and procured primarily from Latin America and sold in markets across Europe and North America.

(2) Locate/Evaluate

[Sectoral Dependency and Impact]

According to the sector-level dependency and impact analysis, the agriculture sector is generally characterized by a high impact from Water Use and Land Use, and a strong dependency on Vegetation and Groundwater.

[Location Analysis]

A location analysis was conducted for farm sites in Latin America, focusing on Water Stress, Ecosystem Sensitivity, and Tree Cover Loss.

The analysis confirmed that none of the sites are subject to high Water Stress. However, in terms of Ecosystem Sensitivity, it was identified that certain sites are located near areas of internationally recognized ecological importance—specifically, Key Biodiversity Areas (KBAs) in Belize and Costa Rica, and a UNESCO Biosphere Reserve in Costa Rica. Additionally, some sites were found to be located in regions experiencing a loss of tree cover.

Note: The results of the analysis on Indigenous and Community Lands have been omitted, as described in Section 4.3.1.1（3）.

(3) Assess

[Assessment of Potential Risks to the Project and Corresponding Measures]

- Potential Risk Identification and Analysis Results

  Based on the sector’s general dependencies and impacts, as well as the results of the location analysis, Ecosystem Sensitivity and Tree Cover Loss were identified as risks requiring particular attention.

  Accordingly, scenario analyses were conducted to identify potential future changes in these risks, focusing on both physical and transition risks.

  <Physical Risk>
  Using the Climate Impact Explorer, a scenario analysis was performed on flood risk, which can significantly affect vegetation cover and ecosystem sensitivity. The results indicated that the risk of flooding is expected to remain low in the future.

  <Transition Risk>
  The advancement of regulations aimed at preventing deforestation through land-use change—at both national and regional levels—may result in compliance costs, such as those related to enhancing traceability for relevant products. Among the four categories of transition risk—policy and legal, market, technology, and reputation—regulatory risk is considered to be a main risk that needs to be addressed.

- Project Assessment and Response Measures for Potential Risks

  The Business conducts ongoing materiality analyses on sustainability-related issues and has identified ecosystem conservation, deforestation, and soil erosion as key areas of concern. In line with this recognition, the Business's banana farm in Costa Rica became the first in the world to obtain the Rainforest Alliance 2020 Certification in 2021. A land conservation program has also been implemented to mitigate soil degradation, covering approximately 20% of all owned land. Specific measures include the designation of conservation areas around banana and pineapple farms, preservation and reforestation of natural vegetation to prevent soil erosion, and biodiversity surveys and conservation planning across farms and approximately 3,000 hectares of conservation zones. Furthermore, various pest and disease management initiatives have been adopted to reduce pesticide use in order to help conserve ecosystems, vegetation cover, and water areas.

  As such, the Business is considered to have already implemented effective measures to address potential risks related to ecosystem sensitivity and loss of tree cover.

  * For further details on these measures, please refer to the Sustainability Report published by Fyffes.

(4) Prepare

[Future Actions]

Going forward, the Business will continue its efforts to prevent ecosystem degradation and loss of vegetation cover by maintaining initiatives in designated conservation areas and monitoring the results of biodiversity surveys.

In considering any future farmland development, the Business will also take into account the anticipated increase in regulatory risks and will continue implementing and monitoring measures to prevent deforestation.

[Targets and Indicators]

Potential Risk	Indicator	Data	TNFD Indicator Code
Ecosystem Sensitivity	Scope of Terrestrial Ecosystem Conservation	As of 2022, approximately 3,000 hectares of conservation areas have been designated, which accounts for around 20% of the total land owned.	C1.1

[Mining Sector] Chile Copper Mining Project: Quebrada Blanca (QB)

(1) Project Overview

The Quebrada Blanca Copper Mining Project (hereinafter "the Project") is a copper mining project in the Tarapacá Region of the Republic of Chile, operated jointly with Sumitomo Metal Mining Co., Ltd. (hereinafter "Sumitomo Metal Mining") and major Canadian resource company Teck Resources Limited. Sumitomo Corporation and Sumitomo Metal Mining have participated in the project since 2019. The project entered Phase 2 of its operations in 2023 and plans to carry out continuous, steady long-term production for 25 years or longer.

(2) Locate/Evaluate

[Sectoral Dependency and Impact]

As indicated in Section 5.3.1.1, the mining sector is generally considered to have particularly large impact in terms of Water Use and Terrestrial Ecosystem Use.

[Location Analysis]

Location analyses of Water Stress and Ecosystem Sensitivity were performed for the Project. These analyses confirmed that the level of Water Stress is high at the Project's location. Regarding Ecosystem Sensitivity, there are no areas near the Project site that are considered critical in terms of biodiversity, such as protected habitats, and the risk level was confirmed to be low.

Note: The results of the analysis on Indigenous and Community Lands have been omitted, as described in Section 4.3.1.1（3）.

(3) Assess

[Assessment of Potential Risks to the Project and Corresponding Measures]

- Potential Risk Identification and Analysis Results

  Sector general dependence and impact analysis and location analysis identified Water Stress as a particularly important risk. To assess future changes in latent risk related to Water Stress, we performed scenario analyses of physical and transition risks.

  <Physical Risk>
  We analyzed future Water Stress forecasts using AQUEDUCT. This analysis showed that for each of the climate change scenarios (Pessimistic, Business as Usual, and Optimistic), Water Stress would remain high in the future (2030, 2050, and 2080)

  <Transition Risk>
  In Chile, the problem of water resource depletion is widely recognized, and there are on going discussions regarding the need to introduce equipment in reducing the amount of freshwater intake, including sea water desalination. Therefore, there is a possibility that restrictions on the use of terrestrial water may become stricter in the future. Because of this, out of the four transition risk categories of policy and legal, market, technology, and reputation, addressing risks in the policy and legal category is considered especially important.

- Potential Risk Identification and Analysis Results

  The Project has already installed seawater desalination equipment and more than 90% of the water necessary for the Project is being secured through seawater desalination. Furthermore, over 80% of the used water is reused, significantly reducing the amount of freshwater intake. Therefore, the impact of water intake on local water sources has been minimized, and measures have been taken to address the physical risks caused by continuous, high levels of Water Stress and latent risks related to Water Stress, including transition risks in the policy and legal category.

(4) Prepare

[Future Actions]

The Project's operations are performed in compliance with strict Chilean laws and regulations, not only regarding water use but also on ecosystems, land of indigenous people, etc. The Project will continue to comply with relevant laws and regulations. Furthermore, monitoring will be performed for indicators such as water intake volume and water reuse/recycling rates, regarding Water Stress confirmed as latent water risk.

[Targets and Indicators] (Source: Teck Resources Ltd)

<table>
<tr><th>Potential Risk</th><th>Indicator</th><th>Data (2024)*</th><th>TNFD Indicator Code</th></tr>
<tr><td rowspan="2">Water Stress</td><td>Water withdrawal (ML)</td><td><table>
<tr><th></th><th>High Qualit</th><th>Low Quality</th></tr>
<tr><td>Surface stream water</td><td>599</td><td>0</td></tr>
<tr><td>Subsurface water</td><td>4,024</td><td>0</td></tr>
<tr><td>Sea water</td><td>0</td><td>45,827</td></tr>
<tr><td>Water via third parties</td><td>9</td><td>0</td></tr>
</table></td><td>C3.0</td></tr>
<tr><td>Water reuse/recycling rate</td><td>84%</td><td>A3.2</td></tr>
</table>

* High quality: Water that can be used for various purposes, such as drinking or agricultural, and requiring minimal or moderate processing to meet drinking water standards
Low quality: Water which is not highly suited to beneficial use, with the exception of industrial water, etc., requiring significant water treatment to meet drinking water standards

[Mining Sector] Iron Ore and Manganese Mining Business in South Africa: Oresteel

(1) Project Overview

Oresteel Investments (Proprietary) Limited (hereinafter "Oresteel"), an affiliated company of Sumitomo Corporation, is a holding company that invests in Assore, which holds a 50% equity stake in Assmang, a producer of iron ore and manganese ore in South Africa. Based in South Africa, Oresteel indirectly owns multiple mining through its investment in Assore and Assmang (hereafter the "Business"). These include chrome ore mine via Assore, and iron ore and manganese mines via Assmang (a 50:50 joint venture between Assore and African Rainbow Minerals [ARM]).

(2) Locate/Evaluate

[Sectoral Dependency and Impact]

According to the sector-level dependency and impact analysis, the mining sector is generally associated with significant impacts related to Water Use and Terrestrial Ecosystem Use.

[Location Analysis]

For this Business, a location analysis was conducted on Water Stress and Ecosystem Sensitivity. The results confirmed that the areas where the two target mines—Khumani Iron Mine and Black Rock Manganese Mine—are located are subject to high water stress. On the other hand, with regard to ecosystem sensitivity, no protected areas or other biodiversity-sensitive zones were found in the vicinity of the mines.

Note: The results of the analysis on Indigenous and Community Lands have been omitted, as described in Section 4.3.1.1（3）.

(3) Assess

[Assessment of Potential Risks to the Project and Corresponding Measures]

- Potential Risk Identification and Analysis Results

  Based on the sector-level dependency and impact analysis, as well as the results of the location analysis, water stress was identified as a risk requiring particular attention. Accordingly, scenario analyses were conducted to assess how potential risks related to water stress may evolve in the future, focusing on both physical and transition risks.

  <Physical Risk>
  An analysis using the AQUEDUCT tool was conducted to assess future water stress. The results confirmed that high levels of water stress are expected to persist at the two mine locations under all climate change scenarios—Pessimistic, Business as Usual, and Optimistic—through 2030, 2050, and 2080.

<Transition Risk>

If high levels of water stress continue, potential risks may arise in South Africa such as stricter regulations on freshwater use in the mining sector, and increased costs associated with the implementation of additional facilities or technologies. Among the four categories of transition risk—policy and legal, market, technology, and reputation—regulatory risk and technological risk are considered to be main risks that need to be addressed.

- Project Assessment and Response Measures for Potential Risks

  At the Khumani Iron Mine, a comprehensive set of measures has been implemented, including water recovery, construction of water storage facilities, and improvements in rainwater management. A target for water usage per ton of production has been set, and performance is being regularly monitored. At the Black Rock Manganese Mine, efforts are underway to reduce total water withdrawal in the region by using reclaimed water, improving rainwater management, and encouraging the use of treated water in nearby communities.

  By reducing inland water withdrawals at both mine sites, Oresteel minimizes both the impact on local water sources and the potential operational impact in the event of future water resource depletion. As such, Oresteel is considered to have already implemented effective measures to address potential risks related to water stress.

(4) Prepare

[Future Actions]

Oresteel operates in compliance with the strict environmental permitting and regulatory requirements of the host country, including those related to water use and ecosystems, and will continue to ensure full compliance with all relevant laws and regulations going forward.

With regard to water stress, identified as a potential risk, we will confirm water use and water reuse/recycling rates through dialogue with operating companies, including the status of efforts at mine sites where targets have not yet been established. We will also continue to closely monitor regulatory developments in the region.

[Targets and Indicators]

<table>
<tr><th>Potential Risk</th><th>Indicator</th><th colspan="6">Data</th><th>TNFD Indicator Code</th></tr>
<tr><td rowspan="6">Water Stress</td><td rowspan="4">Water withdrawal (million m^3)</td><td>Fiscal year*</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td><td rowspan="6">C3.0</td></tr>
<tr><td>Khumani</td><td>4.51</td><td>4.82</td><td>4.66</td><td>4.04</td><td>3.90</td></tr>
<tr><td>Black Rock</td><td>1.74</td><td>1.38</td><td>1.10</td><td>2.04</td><td>1.62</td></tr>
<tr><td colspan="6">*Operational Water withdrawal</td></tr>
<tr><td rowspan="2">Water use per ton of production (m^3/ton)</td><td>Khumani</td><td colspan="5">FY2024: 0.312 (Target: 0.319 or less)</td></tr>
<tr><td>Black Rock</td><td colspan="5">*Quantitative targets to be established in the future</td></tr>
</table>

* The fiscal year ends in June.

[Mining Sector] Brazil Iron Ore Mining Project: MUSA (Mineração Usiminas S/A)

(1) Project Overview

Mineração Usiminas S/A (hereinafter "the Project") is a joint venture between Usiminas (70% ownership) and Sumitomo Corporation (30%). In the Serra Azul region of Minas Gerais, Brazil, it operates three mines and it produces and sells iron ore.

(2) Locate/Evaluate

[Sectoral Dependency and Impact]

As a result of sector-level dependence and impact analysis, the mining sector is generally considered to have especially large impacts in terms of Water Use and Terrestrial Ecosystem Use.

[Location Analysis]

Location analyses of Water Stress and Ecosystem Sensitivity were performed for the Project. These analyses found that the level of water stress is not high in the Project's location. However, with respect to ecosystem sensitivity, the project location was confirmed to be in a region with virgin tropical forest with a high level of biodiversity.

Note: The results of the analysis on Indigenous and Community Lands have been omitted, as described in Section 4.3.1.1（3）.

(3) Assess

[Assessment of Potential Risks to the Project and Corresponding Measures]

- Potential Risk Identification and Analysis Results

  Sector general dependence and impact analysis and location analysis identified the use of terrestrial ecosystems as a risk with a particularly large impact. For the Project, which is located near virgin tropical forest with a high level of biodiversity, changes in land use and pollution (especially pollution caused by tailings) are risks for which measures are of particular importance. Therefore, we performed scenario analysis for physical risks and transition risks to assess how these risks could change in the future.

  <Physical Risk>
  We used Climate Impact Explorer to perform analysis. Our analysis found that Brazil's Minas Gerais, where the Project is located, has been confirmed to have a higher future risk of flooding and extreme rainfall. If tailing dams or other related facilities were to be damaged, pollutants could be released into the surrounding environment, so there is a latent risk of impact on the area's ecosystem and organisms.

  <Transition Risk>
  In recent years, there has been growing interest in natural capital and the general public is aware of the potential for pollution from tailing facilities in the mining sector. Based on this, there are risks of the tightening of restrictions on the conservation of land when mines are closed down and on the management of tailing dams and risks of rising costs related to additional measures and the introduction of new technologies. Because of this, out of the four transition risk categories of policy and legal, market, reputation, and technology, addressing risks in the policy and legal category and the technology category is considered to be especially important.

- Potential Risk Identification and Analysis Results

  The Project has performed environmental impact assessments of land use changes and is implementing amelioration measures that minimize the impact of land changes, such as appropriate waste management measures and measures carried out by the plant and wild animal rescue programs. Furthermore, land with an area larger than the mine's footprint has been secured for forest planting activities, conservation easement, and as a conservation and preservation area for the area's original vegetation. Additionally, a wildlife monitoring program is being implemented in the area where the Project is located, and we are considering using the results of studies., in future conservation efforts in the area. Therefore, the Project can deal with latent risks related to changes in land use, including transition risks, through initiatives for mitigating the impact of changes to land characteristics and through conservation and protection activities. We believe these initiatives are also effective in addressing physical risks such as damage to related facilities caused by flooding or localized heavy rains.

  With regard to pollution related to tailings, the Project is introducing a highly stable dry stacking system which replaces the traditional tailing dam equipment. This dry stacking system does not release wastewater into the external environment, instead reusing and circulating process water. The Project is managed in compliance with local laws and regulations, including daily visual inspections and geotechnical monitoring as well as monitoring and confirming of water quality.

  We therefore believe that these measures can deal with latent risks related to land use and pollution.

(4) Prepare

[Future Actions]

The Project's operations are performed in compliance with laws and regulations, such as local environmental licensing, concerning water use, ecosystems, and the land of indigenous people, etc. The Project will continue to comply with related laws and regulations. With regard to changes in land use, which have been confirmed to be a latent risk, indicators such as the mining project footprint and the area of conservation and preservation areas, will be monitored.

With regard to pollution, in FY2025, the Project plans to complete our disassembly of the conventional tailing dam, but we will continue to monitor water quality, paying close attention to whether the business activities have an impact on the area's water quality, and the Project will monitor water discharged by the dry stacking system.

[Targets and Indicators]

Potential Risk	Indicator	Data (2024)	TNFD Indicator Code
Changes in land use	Area of changes in usage of terrestrial/freshwater/marine ecosystems	Total footprint of mining project: 1,170 km^2	C1.1
	Area of protected or restored terrestrial/freshwater/marine ecosystems	Mandated by law or regulation: Environmental Protection Area: 6,700 km^2 Legal Reserve: 1,464 km^2	C1.1
Pollution from tailings	Wastewater discharge	Discharge of wastewater from the dry stacking system: 0 m^3	C2.1

[Thermal Power Generation Sector] UAE Gas-fired Thermal Power Generation Project: Hamriyah

(1) Project Overview

The Hamriyah gas-fired thermal power generation project (hereinafter "the Project") is the first large-scale IPP thermal power generation project in the Emirate of Sharjah, part of the United Arab Emirates. The project is located in Sharjah's Hamriyah area and is made up of three power generation units with a combined output of approx. 1,800 megawatts. The first unit was put into commercial operation in 2021 and the remaining two units were put into commercial operation in 2023.

(2) Locate/Evaluate

[Sectoral Dependency and Impact]

As a result of sector-level dependence and impact analysis, the thermal power generation sector is generally considered to have an especially large impact in terms of Water Use and an especially high level of dependence on Surface Water.

* For information on the impact of GHG emissions, please see the Climate Change page, which contains information on the analysis and disclosure of the climate change-related risks of our gas-fired thermal power projects in accordance with the TCFD.

[Location Analysis]

Location analyses of Water Stress and Ecosystem Sensitivity were performed for the Project. These analyses confirmed that the level of water stress is high in the Project's location. With regard to ecosystem sensitivity, an area that is a protected habitat was found to exist near the project location.

Note: The results of the analysis on Indigenous and Community Lands have been omitted, as described in Section 4.3.1.1（3）.

(3) Assess

[Assessment of Potential Risks to the Project and Corresponding Measures]

- Potential Risk Identification and Analysis Results

Sector general dependence and impact analysis and location analysis identified water stress as a risk for which measures were of particular importance. Additionally, with regard to ecosystem sensitivity, the project location is near an area of high importance in terms of biodiversity, so the risk assessment result was "Middle" and there are risks which must be addressed through complementary measures.

To assess how latent risk related to water stress may change in the future, we performed scenario analysis of physical risks and transition risks.

<Physical Risk>
We analyzed future water stress forecasts using AQUEDUCT. As a result of this analysis, we found that for each of the climate change scenarios (Pessimistic, Business as Usual, and Optimistic), water stress would remain extremely high in the future (in 2030, 2050, and 2080).

<Transition Risk>
The issue of water resource depletion is widely discussed in the United Arab Emirates, and national strategies, laws, and regulations recognize the importance of maintaining and managing sustainable water resources. Therefore, we believe there is a latent risk of corresponding rising costs, such as the costs of further water-related measures that companies are required to implement. Because of this, out of the four transition risk categories of policy and legal, market, reputation, and technology, addressing risks in the policy and legal category is considered to be especially important.

Furthermore, with respect to ecosystem sensitivity, we believe there are latent risks requiring complementary measures. Specifically, there is a latent possibility of an environmental impact from pollution in the form of hot wastewater from power plant cooling or highly concentrated saltwater (brine) produced by seawater desalination. There are wetlands near the project site with mangrove trees and precious marine ecosystems, so there could be an impact on these ecosystems.

- Potential Risk Identification and Analysis Results

Seawater desalination equipment has already been installed, and the project is securing the water it needs for its business activities by desalinating seawater, without using freshwater. This minimizes the impact of water intake on the area's water resources and the impact of the potential future depletion of water resources on the project. We therefore believe that the Project has already put measures in place to minimize risks related to water stress.

With regard to ecosystem sensitivity, we believe the Project may have an environmental impact in the form of pollution such as hot wastewater and highly concentrated saltwater (brine). However, our environmental impact assessment has confirmed that the wastewater and brine is dispersed and diluted on the sea's surface so their impact on the marine ecosystem is minor and within standards. Additionally, the Project performs annual marine ecosystem studies in nearby areas that are home to coral and pearl oysters. These studies have confirmed that there is no wide-scale environmental damage being caused by the project's activities alone, and we believe that we can deal with the latent risks related to ecosystem sensitivity.

(4) Prepare

[Future Actions]

We will continue to monitor the amount of seawater consumed by the Project and the temperature of warm wastewater. The Project is considering the installation of seawater desalination equipment in the future, and we will perform appropriate assessment of this equipment's impact on the ecosystem.

[Targets and Indicators]

Potential Risk	Indicator	Data	TNFD Indicator Code
Water Stress	Water withdrawal	No freshwater is used (seawater is desalinated for use) [Reference] Seawater consumption 2024: Approx. 840 million m^3	C3.0
Ecosystem Sensitivity	Temperature of warm wastewater	November 2024: 35.4°C (Outfall-10) 32.3°C (Outfall-30) * The difference in temperature between intake (30.7°C) and discharge is 4.7°C, which is below the threshold set by local standards of ±5°C or less	C2.1

Appendix

The following provides an overview of the assessment methods used for each of the following perspectives: Water Stress, Ecosystem Sensitivity, Tree Cover Loss, and Indigenous and Community Lands.

Water Stress

Water stress levels (Baseline Water Stress) in the regions where business sites are located were assessed using the AQUEDUCT tool. Based on the assessed level, risk was evaluated in three categories: High Risk, Medium Risk, and Low Risk.

Figure: Example of water stress assessment using AQUEDUCT

Ecosystem Sensitivity

The Global Forest Watch tool was used to assess the proximity of business sites to the following ecologically important areas from a biodiversity perspective. Based on the degree of proximity, risk was evaluated in three categories: High Risk, Medium Risk, and Low Risk.

- Protected Areas: Legally protected areas considered particularly important for biodiversity conservation, corresponding to Categories I–III under IUCN guidelines, as well as internationally recognized sites such as Ramsar Wetlands, World Heritage Sites, and UNESCO Biosphere Reserves (Eco Parks).
- KBA / AZE Sites:
  Key Biodiversity Areas (KBA): Sites of global significance for biodiversity.
  Alliance for Zero Extinction (AZE) Sites: A subset of KBAs identified as critical habitats for species at imminent risk of extinction.
- Primary Forests: Untouched tropical forests with high biodiversity value.
- - Mangroves: Mangrove forests are widely recognized for their high levels of biodiversity.

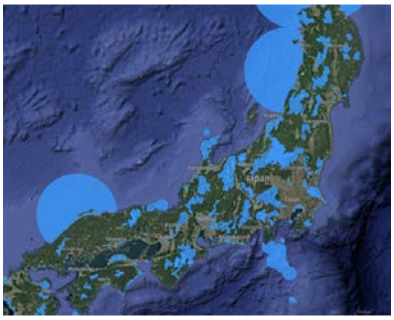


Figure: Example of Ecosystem Sensitivity Assessment Using Global Forest Watch (KBA displayed in the map)

Tree Cover Loss

The Global Forest Watch tool was used to assess areas near business sites where there has been significant loss of vegetation cover. Based on the degree of vegetation loss, the risk was evaluated into two categories: High Risk and Low Risk.

Figure: Example of Tree Cover Loss Risk Assessment Using Global Forest Watch

Indigenous and Community Land

The lives and livelihoods of indigenous peoples and communities may be deeply intertwined with natural capital such as land, resources, and water. In order to identify areas where land with such significant dependencies may be distributed, we used the Global Forest Watch to assess the areas around the business sites. Based on the presence and availability of assessment data, the risk was evaluated into three categories: High Risk, Medium Risk, and Low Risk.

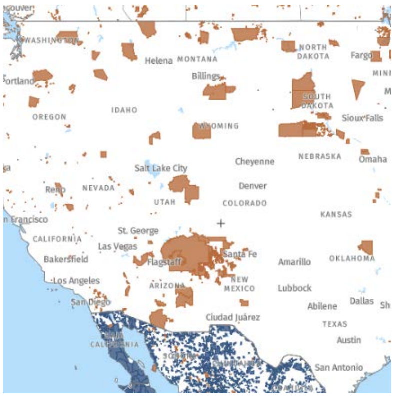


Figure: Example of Risk Assessment for Indigenous and Community Land Using Global Forest Watch

4.3.2 Supply Chain

We recognize the need to assess risks not only for our Group's directly operated businesses, but also for high-dependency/high-impact to nature sectors within our supply chain, and we have begun examining the assessment process. We are working to identify priority supply chains to address first (priority supply chains), based on a risk-based approach that utilizes a variety of information such as details on high-dependency, high-impact sectors, whether we handle the commodities listed on the High Impact Commodity List published by the SBTN*, and the degree of influence we can exert.

* The Science Based Targets Network (SBTN) is a framework being developed to encourage companies to scientifically assess the impact they have on the natural environment and set targets aimed at realizing a sustainable society. The network publishes a list of high-impact commodities comprising around 50 raw materials with high impacts on nature.

5. Metrics & targets

5.1 Corporate goals

As a medium-term target under the Material Issue "preserve and regenerate natural capital," we have set a goal to "accelerate initiatives toward a nature-positive world by 2030." Furthermore, to foster understanding of this medium-term target and strengthen related initiatives, we have defined our approach to achieving nature-positive as "minimizing the impact of our business on natural capital and continuing to transform our operations to preserve and regenerate natural capital." We will continue working toward both reducing risks and creating opportunities through our business activities.

* For details on our medium- to long-term targets for each Material Issue, please see here.

5.2 Metrics & targets for each business

Given the wide range of businesses within the Sumitomo Corporation Group, it is crucial to set metrics and targets for addressing risks and opportunities in each business.
Each SBU voluntarily sets targets related to our Material Issues.

Additionally, for the five priority businesses already analyzed, please refer to 4. Risk and Impact Management for the disclosure of core global metrics and sector-specific metrics.

6. Appendix: Response to TNFD general requirements

Our response to the six general requirements in the TNFD guidance for this trial disclosure is detailed below.

1. Application of materiality
   We take a double materiality* approach whereby we consider not only dependencies of our Group on natural capital, but our impacts on natural capital as well.
2. Scope of disclosures
   We recognize the need to not only disclose information about our Group businesses, but about our supply chains as well. Therefore, in addition to analyzing our Group businesses, we are also looking into analyzing our supply chain.
3. Location
   We take a risk-based approach to identifying sectors with high dependency and high impact on natural capital, and related priority businesses. Factoring in location information, we have conducted individual analyses on our priority businesses.
4. Integration with other sustainability-related issues
   In addition to TNFD, we disclose information on climate change based on TCFD recommendations, as well as topic-specific disclosures on issues such as human rights. We recognize the connections between these issues and refer to their relationships in our disclosures. We are considering enhancing our integrated risk assessment and management to cover not only environmental risks but also social risks, expanding our integrated disclosures going forward.
5. Time horizons
   We describe time horizons holistically, including initiatives to date.
6. Stakeholder engagement
   In line with our Environmental Policy and Sumitomo Corporation Group's Human Rights Policy, we have traditionally conducted stakeholder engagement, including with Indigenous Peoples and Local Communities, for individual businesses. We intend to actively engage in dialogue with investors and other stakeholders about initiatives and disclosure content.

* Double materiality is the approach of applying equal emphasis to the risks and opportunities that environmental and social issues have on corporate activities and business models, and to the impacts that corporate activities and business models have on the environment and society.

Ambatovy Project Targeting “No Net Loss, Net Gain”

The Ambatovy Project in the Republic of Madagascar, which is one of the largest mine development projects in the world, began development in 2007 to expand the supply of nickel, cobalt and other metals. Establishing the environmental target of “no net loss, net gain,” it is conducting a unique biodiversity program.

In the Ambatovy Project, many new facilities, such as mining sites, refinery plants and pipelines, need to be constructed and operated, which poses substantial impacts on the surrounding environment. Particularly in Madagascar, there remains a globally precious natural environment where as many as 1,000 species of endangered animals are living. Giving careful consideration to these natural habitats in developing and operating the project, the biodiversity program accounts for the impact on every site. In developing and implementing plans for the project, special emphasis is placed on environmental management in compliance with not only Madagascar national laws but also various guidelines, such as the World Bank safeguard policy, the International Financial Corporation's (IFC) Performance Standards, the World Health Organization (WHO) standards, and the Equator Principles. In line with the ISO 14001 standard, we are also managing according to the Ambatovy Environmental Management System (EMS).

Under the Ambatovy EMS, we identified a number of priority areas, including flora and fauna habitats and marine ecosystems, and when developing, operating, and closing mines, we formulate management plans for business-related sites, such as plants and port facilities, and work according to those plans. For example, in developing the mining area, we created a buffer zone around the mining site of about 1,600 ha to ensure protection of wild animals. When trees are cut down to develop the mine site, felled trees are left on site for a while so that animals inhabiting these trees can move into the buffer zone. We also conduct ecosystem surveys jointly with international environmental NGOs. If endangered or other species that need to be protected are identified in such a survey, we adopt various programs designed to reduce impacts on ecosystems, for example, relocation of such species to a sanctuary and use of a fish farming system.

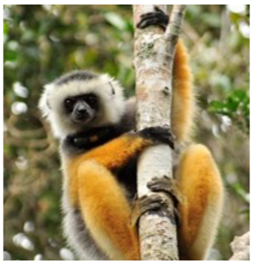
Furthermore, as part of this biodiversity program, we are collaborating with governments, local communities, and conservation and development NGOs to apply the IFC and BBOP standards while also promoting a large-scale biodiversity offset program. This is an approach to mitigate impacts of the development on ecosystems by restoring or creating another ecosystem. Specific measures include the conservation of a forest area of about 4,900 ha in the Ankerana area, which has an ecosystem similar to that of the development site of the project. In an attempt to offset the net loss of biodiversity, we have implemented measures to protect four conservation areas of almost 14,000 ha in total, equivalent to about nine times the affected areas, such as protection of areas near the mine site, tree replanting after the installation of pipelines, and tree replanting on the mine site after the closure of the mine. For this biodiversity program and its offsets, we are taking a comprehensive approach that controls not only the impact of businesses, but impacts received prior to them as well.

Survey and conservation of endangered plants

Ambatovy Sustainability Report 2023

Coquerel's Sifaka (Propithecus coquereli), endangered species

Reforestation after logging



Diademed sifaka (Propithecus diadema), critically endangered species

BBOP participating through the Ambatovy Project（Business and Biodiversity Offsets Program）

Business and Biodiversity Offsets Program (BBOP) is an initiative to prepare international standards regarding biodiversity offsets, participated in by companies, governments, NGOs and other specialists. The BBOP initiative ended successfully and is now recognized as an international standard for biodiversity offsets that is also referred to by the Convention on Biological Diversity. The Ambatovy Project in Madagascar continues to comply with this standard while maintaining a balance between conserving biodiversity and the lives of local residents.

BBOP Principles on Biodiversity Offsets

1	**Adherence to the mitigation hierarchy:** A biodiversity offset is a commitment to compensate for significant residual adverse impacts on biodiversity identified after appropriate avoidance, minimization and on-site rehabilitation measures have been taken according to the mitigation hierarchy.
2	**Limits to what can be offset:** There are situations where residual impacts cannot be fully compensated for by a biodiversity offset because of the irreplaceability or vulnerability of the biodiversity affected.
3	**Landscape Context:** A biodiversity offset should be designed and implemented in a landscape context to achieve the expected measurable conservation outcomes taking into account available information on the full range of biological, social and cultural values of biodiversity and supporting an ecosystem approach.
4	**No net loss:** A biodiversity offset should be designed and implemented to achieve in situ, measurable conservation outcomes that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity.
5	**Additional conservation outcomes:** A biodiversity offset should achieve conservation outcomes above and beyond results that would have occurred if the offset had not taken place. Offset design and implementation should avoid displacing activities harmful to biodiversity to other locations.
6	**Stakeholder participation:** In areas affected by the project and by the biodiversity offset, the effective participation of stakeholders should be ensured in decision-making about biodiversity offsets, including their evaluation, selection, design, implementation and monitoring.
7	**Equity:** A biodiversity offset should be designed and implemented in an equitable manner, which means the sharing among stakeholders of the rights and responsibilities, risks and rewards associated with a project and offset in a fair and balanced way, respecting legal and customary arrangements. Special consideration should be given to respecting both internationally and nationally recognised rights of indigenous peoples and local communities.
8	**Long-term outcomes:** The design and implementation of a biodiversity offset should be based on an adaptive management approach, incorporating monitoring and evaluation, with the objective of securing outcomes that last at least as long as the project's impacts and preferably in perpetuity.
9	**Transparency:** The design and implementation of a biodiversity offset, and communication of its results to the public, should be undertaken in a transparent and timely manner.
10	**Science and traditional knowledge:** The design and implementation of a biodiversity offset should be a documented process informed by sound science, including an appropriate consideration of traditional knowledge.

Bird-strike Prevention in Wind Power Generation

Dorper Wind Farm generates electricity using wind in a mountainous area of about 130 km^2 in Eastern Cape, South Africa. In the Doper wind power generation project, measures to prevent bird strikes are implemented.

Windmills are installed in pastures and bird strikes are caused by birds that flock to feed on the carcasses of livestock and other animals. We therefore ensure to remove animal carcasses found in the power plant.

We also hire local residents to visually confirm if there is any endangered bird species circling around the windmills and, if detected, to send an emergency notice to stop the operation of the windmills. It is our aim to achieve a harmonious balance between wild animal conservation and wind power generation business.

Dorper Wind Farm Pty Ltd. in South Africa

Bird Friendly® Coffee

Sumitomo Corporation Group has imported and supplied Bird Friendly®-certified coffee (BF®-certified coffee) since 2004 as part of our biodiversity-friendly activities, which ensures a stable income for farmers. Since FY2014, SC Foods Co., Ltd. started dealing in BF®-certified coffee. BF®-certified coffee is grown under the shade of natural forest trees to conserve the environment and provide migratory birds a place to rest.　The BF certification was created by the Smithsonian Migratory Bird Center (SMBC). As of April 2025, 54 farms and agricultural cooperation in 11 countries*1 are certified and part of the proceeds are used for SMBC's research, surveys and conservation activities.

In 2019, this project was recognized by the Japan Committee of the International Union for Conservation of Nature and Natural Resources (IUCN) as a cooperative project authorized by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J)*2. This authorization means that the project is an important activity to conserve biodiversity as well as an activity that has achieved results toward meeting the Aichi Biodiversity Targets*3. We will continue our efforts to contribute to protecting migratory birds and ecosystems through this project.

This project has been recognized as a project recommended by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J).

*1 11 countries: **Ethiopia**, **Peru**, **El Salvador**, **Columbia**, **Guatemala**, Nicaragua, Bolivia, **Honduras**, India, Mexico, Venezuela（The **bolded** countries indicate import records for the FY2024）

*2 The committee was established in September 2011 to encourage the participation and cooperation of all sectors in Japan to promote efforts to conserve biodiversity and ensure its sustainable use.

*3 New international targets to conserve biodiversity, which were adopted by the 10th Conference of Parties (COP10)

BF® certified farm in Honduras

BF® certified farm in El Salvador

Harvest of BF® certified farm in Guatemala

Prevention of Pollution

Basic Concept

Sumitomo Corporation Groups business covers a wide range of areas around the world. As described in the Environmental Policy, the Group complies with environment-related laws and regulations and contributes to creating a recycling society. We consider it important not only to comply with laws, ordinances and standards to prevent pollution caused by waste water, sludge, exhaust and other wastes but also to reduce environmental impact through waste reduction, reuse and recycling in order to achieve a sustainable society. We will continue to address relevant issues through our business activities.

Efforts to Reduce Environmental Impacts in the Agrochemical / Fertilizer Sales Business

Our major mission in the realm of agrochemical/fertilizer business is to provide the best-quality agrochemicals/fertilizers that fulfill the needs of farmers worldwide with the aim of contributing to increasing the productivity of agricultural crops. We select and combine functions such as import, manufacturing, distribution, wholesale and direct sales by taking into account the characteristics of each market, and we are currently conducting agrochemical/fertilizer business in about 40 countries.

In some areas, unfortunately, farmers and distributors inappropriately dispose of emptied plastic bottle containers and aluminum bags of agrochemicals, which can pollute the environment. There are also concerns that agrochemical remains in such containers could lead to an accident and adversely affect the environment. Agro Amazonia Produtos Agropecuarios Ltda. in Brazil and Summit Agro Mexico S.A. de C.V. in Mexico involve other companies in the industry to make joint efforts to collect and recycle empty containers of agrochemicals to promote environmental conservation.

Efforts are also made to reduce the environmental impacts of agrochemicals themselves, including investment in Bio-solution manufacture called Futureco Bioscience S.A., in Spain and Bio Insumos Nativa SpA in Chile, and application of integrated pest management (IPM), which does not depend on agrochemicals alone and has low environmental impacts.

As an IPM effort, we are spreading the use of a communication disruptor (pheromone agent) developed by Shin-Etsu Chemical Co., Ltd., which uses insect's natural sex pheromone. It is harmless to non-target organisms, and not only reduces the population of the target pest but is also effective on pests that enter inside plants and are hard to control.

It can also be expected to reduce the pesticide resistance of pests. This control method is currently applied by about 60% of orchards in France. In the European region, we have expanded our sales territory to include Poland, Bulgaria and Turkey.

In addition, we put our efforts into reducing the amount of conventional chemical fertilizer applied and reducing environmental impacts on farmland by expanding the sales of coated fertilizers (allowing farmers to control the pace of fertilizer elution and enhance the effective utilization rate of fertilizer constituents, thereby reducing the amount of fertilizer applied) and biostimulants (which increase plants’ tolerance to diseases and pests as well as to cold/heat stresses by enhancing their innate immunity and vitality, thereby enabling the use of reduced amounts of fertilizer). (equity participation in Naturevo S.R.L, a Romanian company whose main product is such high-performance fertilizers)

Investment in a bio-agrochemical manufacturer in Spain

Agrochemical project in Brazil (Agro Amazonia Produtos Agropecuarios Ltda.)

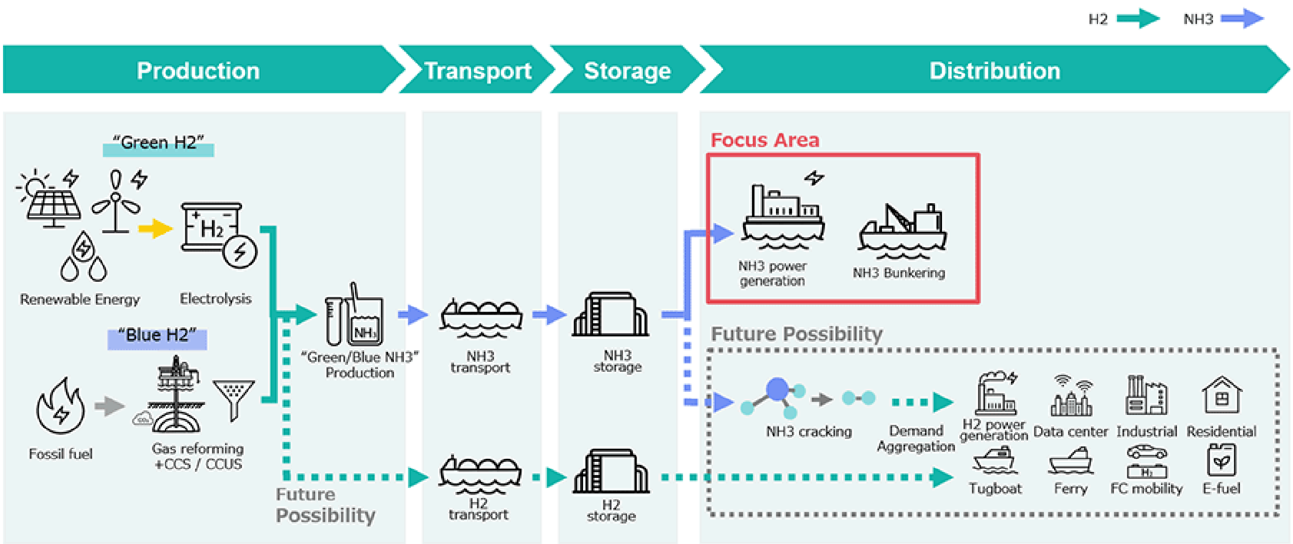
Use of a pheromone agent

Reducing the Environmental Impact of Marine Fuel

Since 1954, we have been supplying marine fuel to shipping companies in Japan and abroad. To contribute to reductions in the shipping industry's environmental impact, we are also working to supply LNG fuel, which emits no sulfur oxides and contains 40-70% fewer nitrogen oxides and 20% less carbon dioxide than conventional fuels. Specifically, through a joint venture with Uyeno Transtech Ltd., Yokohama-Kawasaki International Port Corporation, and the Development Bank of Japan Inc., we placed an order for an LNG bunkering vessel to be utilized for LNG fuel supply business in Tokyo Bay.

The International Maritime Organization (IMO), a specialized agency of the United Nations, has formulated a strategy to reduce greenhouse gas (GHG) emissions from maritime transportation globally to zero by around 2050. In this context, it is believed that ammonia will be the next generation of alternative marine fuels that have the potential to contribute significantly to reducing GHG emissions in the shipping industry because it does not emit CO_2 during combustion. Green ammonia in particular has the potential to be a major factor in making the shipping industry carbon-free, as it is produced solely from renewable electricity, water, and air and emits no CO_2 during its lifecycle.

We are working with A.P. Moller - Maersk A/S and other partners in a joint study on the commercialization of supplying ammonia fuel for ships in Singapore and the east coast of North America. Through this initiative, we aim to contribute to the decarbonization of the shipping industry by creating a comprehensive supply chain that includes the supply, transportation, storage, and bunkering of non-GHG emitting marine fuel.



Social

Social

Supply Chain Management

Basic Concept

The Sumitomo Corporation Group has established the 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 and business partners to achieve responsible value chain management. The Company provides numerous opportunities to promote the understanding and entrenchment of these guidelines, including training for new employees and locally hired employees, meetings within business units and domestic and overseas regional organizations, and pre-departure briefings with employees being sent on overseas assignments in order to promote sustainable supply chain management. We also share these guidelines with our suppliers and business partners and confirm their compliance as necessary.

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.

The Sumitomo Corporation Group CSR Action Guidelines for Supply Chain Management

Established in November 2009

Revised in November 2013

The Sumitomo Corporation Group aims to be a global organization that, by constantly staying a step ahead in dealing with change, creating new value, and contributing broadly to society, strives to achieve prosperity and realize the dreams of all our stakeholders through sound business activities in strict adherence to our Corporate Mission Statement, and the management style principle contained therein, wherein prime importance is given to integrity and sound management with the utmost respect being paid to the individual.

In order to promote sustainability and social wellbeing in accordance with our mission, the Sumitomo Corporation Group hereby sets down these CSR Action Guidelines for Supply Chain Management. With a view to further strengthening the global relations which form one of the foundations of our core competence of integrated corporate strength, we request our suppliers and business partners to kindly accept, understand, and practice these guidelines so that together we can achieve responsible value chain management.

Our suppliers and business partners are expected to:

1. Respect human rights and not to be complicit in human rights abuses
2. Prevent forced labor, child labor and the payment of unfairly low wages
3. Not engage in discriminatory employment practices
4. Respect the rights of employees to associate freely in order to ensure open and fair negotiations between labor and management
5. Provide employees with safe and healthy work environments
6. Protect the global environment and give due consideration to biodiversity
7. Ensure the quality and safety of products and services
8. Ensure fair business transactions, to abide by all applicable laws, rules and regulations, and to prevent extortion, bribery and all other forms of corrupt business practices
9. Ensure appropriate information security
10. Cooperate with members of local host communities and contribute to sustainable regional development
11. Disclose information regarding the above in a manner both timely and appropriate.

Interpretation of The Sumitomo Corporation Group CSR Action Guidelines for Supply Chain Management

Supply chain management policies for specific commodities

To realize a sustainable society by working together with our suppliers and business partners, Sumitomo Corporation has established the CSR Action Guidelines for Supply Chain Management. We have also established specific policies for natural resource-related commodities requiring sustainable procurement.

- Forest Management Policy
- Sourcing Policy for Forest Products

Policy and Concept on sustainable procurement of palm oil

Palm oil is the most produced vegetable oil in the world which is used in a wide variety of products and closely related to our lives. Meanwhile, we, the Sumitomo Corporation Group recognize that palm oil comes with various social and environmental risks especially in the upstream supply chain, as its raw material, oil palm, may be linked to the deforestation of valuable forests, damage to biodiversity and impact on a local community due to plantation development, and forced and child labor in some production process.

Therefore, in order to fulfill social responsibility with relevant stakeholders based on The Sumitomo Corporation Group CSR Action Guidelines for Supply Chain Management", we strive to build a high transparent supply chain with our suppliers through being a member of RSPO* as a group.

Our consolidated subsidiaries SC Foods Co., Ltd., a trading company specializing in food products, and Summit Oil Mill Co., Ltd, an edible oil manufacturer, conduct a survey of the suppliers with an aim of confirming the existence of inherent problems in human rights in the supply chain. In addition, Summit Cosmetics Corporation, our consolidated subsidiary specializing in cosmetics-related products trade, also survey of the suppliers and request compliance with "The "Sumitomo Corporation Group CSR Action Guidelines for Supply Chain Management" which committed to the sustainable procurement of palm oil.

* Roundtable on Sustainable Palm Oil

Supply Chain Management

In monitoring social and environmental risks in each business, we confirm the supply chain based on the Sumitomo Corporation Group CSR Action Guidelines for Supply Chains, individual procurement policies, and laws and regulations.

Conflict Minerals Policy

The Dodd-Frank Act, which was enacted in July 2010, requires US-listed companies to trace the country of origin of minerals used in their products with in their supply chains to determine whether or not "conflict minerals“* produced in and around the Democratic Republic of the Congo are included. The results must be reported annually to the U.S.Securities and Exchange Commission (SEC) and disclosed on their websites. Such reporting is not mandatory for the Sumitomo Corporation Group itself because it is not US listed. However, if it is revealed that a conflict mineral is used by our partner company, our reputation could be harmed and it may affect customer selections. We therefore gather relevant information regularly and managed it unitarily.

* The Dodd-Frank Act defines conflict minerals as tin, tantalum, tungsten and gold

Measures Taken through Sustainable Supply Chain Certification

RSPO: Roundtable on Sustainable Palm Oil

We became an ordinary member of the RSPO in 2019. Further, our consolidated subsidiaries SC Foods Co., Ltd. And Summit Oil Mill Co., Ltd. obtained RSPO supply chain certification in 2021.

2-1036-19-100-00

FSC: Forest Stewardship Council®

We obtain FSC (FSC-C016535) certification, an international forest management certification system, and provide customers with FSC-certified products mainly from our group-companies.

PEFC: Program for the Endorsement of Forest Certification Schemes

We obtain PEFC CoC certification, an international forest management.

(PEFC/31-31-1393 ・ PEFC/31-31-1559)

SBP: Sustainable Biomass Program

In September 2019, we became the first Japanese company to obtain SBP certification for CoC (Chain-of-Custody) and Collection and Communication of data. SBP is a certification system providing assurance that woody biomass used in energy production is sourced from legal and sustainable sources.

ISCC PLUS: International Sustainability & Carbon Certification PLUS

We hold ISCC PLUS, an international certification for bio-based products. This allows us to trade ISCC PLUS certified products. In addition, the following group companies have also obtained ISCC PLUS certification.

- Sumitomo Shoji Chemicals Co., Ltd.

ISCC EU: International Sustainability & Carbon Certification EU

We hold ISCC EU, an international certification for sustainable fuels compliance with Europe Union set out in Renewable Energy Directive. This allows us to trade ISCC EU certified products.

ISCC CORSIA: International Sustainability & Carbon Certification CORSIA

We hold ISCC CORSIA, an international certification for CORSIA (the Carbon Offsetting and Reduction Scheme for International Aviation) eligible fuels. This allows us to trade ISCC CORSIA certified products.

ASI: Aluminium Stewardship Initiative

We are a member of the Aluminium Stewardship Initiative (ASI), the global aluminium industry organization. As an active participant in trading aluminium materials and products globally, we support ASI activities and standards across the global aluminium value chain.

EcoVadis Certification for Chemical Solutions Group

EcoVadis provides a unique platform for assessing a company's social and environmental sustainability performance. The following Sumitomo Corporation Group companies received EcoVadis Medals for their efforts.

- Platinum Medal: Summit Cosmetics Europe
- Gold Medal: Summit Cosmetics LATAM, Presperse Corporation, Summit Pharmaceuticals Europe
- Silver Medal: Summit Cosmetics Corporation, Summit Pharmaceuticals International, SUMITOMO DEUTSCHLAND GMBH

* Platinum is awarded to the top 1%, Gold to the top 5%, Silver to the top 15%, and Bronze to the top 35% of companies

Measures Taken in the Chemical and Electronics Industries

Sumitomo Shoji Chemicals Co., Ltd. (hereinafter “Company”), which focuses on trading in the chemical and electronics sectors with extensive industrial involvement and numerous applications, ensures that, based on customer requests, its raw material suppliers confirm the "non-use of conflict minerals that fund armed groups" and "management of chemical substances contained in products." This is to verify that no environmental or human rights issues arise.

Additionally, the Company agrees to the green procurement systems of its customers, which aim to promote environmental conservation, and requires its raw material suppliers to also agree to these green procurement systems and comply with related environmental laws and regulations. The Company also verifies their compliance status.

The Company is a member of Sedex, a non-profit organization that provides a platform for companies to manage their supply chains ethically and sustainably, and has passed Sedex's audits related to environmental and human rights issues.

Feiler Initiatives

Feiler Japan Co., Ltd., a subsidiary of Sumitomo Corporation, imports, plans, and sells products of the German textile brand “FEILER”, which features chenille fabrics. Feiler purchases all cotton yarns used for chenille fabrics from companies certified under OEKO-TEX® Standard 100*1, which meets international safety standards for textile products.

* OEKO-TEX® Standard 100 is the world’s highest standard for safe textile products, awarded only to products that have passed strict analytical tests for over 350 hazardous chemicals.

OEKO TEX® STANDARD 100

SC Foods Initiatives: Contributing to society through fairtrade products

SC Foods Co., Ltd., a member of the Sumitomo Corporation Group, won the Silver Award in the Trader category at the first Fairtrade Japan Awards, announced in October 2023. This is an award sponsored by Fairtrade Label Japan, a specified non-profit organization, that honors and recognizes companies and organizations that have made outstanding achievements in promoting fairtrade in Japan. SC Foods was selected in recognition of its proactive import of fairtrade coffee and sesame seeds from around the world and its proactive actions to communicate the efforts being made in producing areas to manufacturers and consumers. The activities were considered as a significant contribution to the spread of fairtrade by serving as a bridge between producing areas and Japan.

SC Foods is constantly pursuing to distribute coffee that is not only delicious, but also contributes to a sustainable and rich future of food. Through the initiatives, SC Foods also aims to communicate the socially beneficial significance of the products. As part of this effort, SC Foods imports and sells fairtrade certified coffee, which is good for society and the global environment. Specifically, SC Foods collects detailed information from suppliers with whom we have built relationships over many years about how the fairtrade premium, which is paid based on the sales volume of fairtrade certified coffee, helps the production area. In addition to providing products to roasters and consumers who purchase our products, SC Foods also collaborates with fairtrade-related organizations both domestically and internationally to actively engage in activities to expand awareness and purchasing of fairtrade certification itself.

One example of fairtrade certified coffee SC Foods handles is Con Manos De Mujer (CMM: English name: WOMAN'S HAND). CMM certification was launched in 2010 by Mayacert S.A. together with the Asobagri cooperative with the aim of improving women's social status and economic environment. The premium added to the price of certified coffee is transformed into scholarships and medical expense subsidies, providing a platform for the female producers who belong to the cooperative to thrive and help them achieve self-realization.

Summit Initiatives: Handling of certified marine products

SUMMIT, INC, a member of the Sumitomo Corporation Group that operates a supermarket business, handles marine products that have acquired ASC* certification for some of its marine products for the purpose of sustainable procurement and environmental and social considerations. In addition, SUMMIT, INC develops products with a focus on sustainable perspective.

* ASC: An international certification program for environmentally and socially responsible aquaculture products, administered by the Aquaculture Stewardship Council.

Initiatives Taken in the Real Estate Business (Sumisho Realty Management's ESG Policy)

Initiatives Taken in the Real Estate Business

Sumisho Realty Management Co., Ltd., a real estate asset management business of the Sumitomo Corporate Group, has identified seven material issues and is implementing initiatives to adapt to changing global trends, meet the expectations of stakeholders, and contribute toward a sustainable society. As a real estate management company, it also believes that incorporating ESG elements into its investment decisions and operational processes is essential for maximizing medium- to long-term value for investors. For this reason, it defines and implements basic policies toward ESG.

Seven Material Issues & Initiatives

	Material Issues	Initiatives
E	• Climate change mitigation	• Consideration for reduction of energy consumption, CO2 emissions, etc.
	• Portfolio greening	• Promote acquisition of green building certifications such as GRESB, CASBEE, DBJ Green Building Certification, BELS, etc.
S	• Human resource development	• Provide ample training programs • Support acquiring professional accreditations • Develop real estate professionals with an emphasis on teamwork
	• Diversity, Equity & Inclusion	• Create a working environment in which diverse human resources can flourish over the medium to long term • Respect human rights • Provide ongoing employment support to achieve work-life balance
	• Tenant satisfaction improvement & contribution to local communities	• Provide/operate facilities with high tenant satisfaction • Consideration for environment/society by collaborating with tenants, PMs, BMs, etc. • Contribute to and consider local community
G	• Engagement with investors and trustworthy governance	• Disclose information to investors and promote constructive dialogue • Develop a governance structure trusted by investors
	• Thorough compliance & risk management	• Monitor and respond to risks • Appropriately operate an internal control system for compliance with laws and regulations

Sumisho Realty Management's ESG Policy

ESG Policy

SRM believes that it is indispensable as a real estate management company to include environmental, social and governance (ESG) factors in investment decisions and management process for maximization of unitholder value over the medium to long term, and thus establishes the following basic policies on ESG and puts them into practice.

1 **Climate Change Measures**
SRM shall aim for realization of carbon neutrality through efforts on efficient use and reduction of energy and minimization of greenhouse gas emissions to as close to zero as possible at real estate under management. Furthermore, recognizing the importance of renewable energies, SRM shall consider possible utilization of such.

2 **Efforts on Reducing Environmental Burden**
Recognizing environmental burden at real estate under management, including water consumption and waste discharge, SRM shall continuously make efforts to reduce such.

3 **Consideration for Natural Environment**
With sufficient consideration for protection of natural ecosystem and other natural environment as well as for maintenance/conservation of biodiversity, SRM shall promote greener buildings and communities.

4 **Efforts on Improving Health and Comfort**
SRM shall strive to improve real estate value by raising tenant satisfaction through assessment of needs and appropriate implementation of measures for enhancing health/comfort of tenants and local communities.

5 **Efforts on Enhancing Resilience**
SRM shall strive to improve real estate value by retaining and gaining good tenants through enhancement of resilience of real estate under management against climate change and disasters. In addition, SRM aims for real estate management that can respond flexibly to changes in social structure such as urbanization and work sharing.

6 **Collaboration with Stakeholders**
SRM shall establish a good relationship with tenants, property management companies, local communities and other stakeholders involved in real estate under management and collaborate to promote ESG.

7 **Efforts for SRM's Employees**
SRM shall strive to develop employees' skills by providing specialized training, support for acquisition of qualifications and such based on its human resources strategy. In addition, SRM shall work to create a favorable working environment to allow diverse employees to work comfortably in good health.

8 **Compliance and Strengthening of Governance**
In order to protect investors and ensure SRM's proper operations, SRM shall not only abide by laws and regulations, but also strive to prevent corruption, prevent conflicts of interest, manage information properly, and value human rights and diversity.

9 **Disclosure of ESG Information and Utilization of Outside Evaluation**
SRM shall make efforts to implement appropriate and transparent disclosure of ESG-related information for its stakeholders, and consider utilization of outside evaluation and third-party certification.

Expression of support for UN Systems Summit

Sumitomo Corporation expressed its support for the United Nations Food Systems Summit (FSS), declaring that it will contribute to global sustainable food systems through a range of food and agricultural businesses conducted by the Sumitomo Corporation Group.

The FSS, scheduled for September 2021 in New York, was the first international forum having discussions on the sustainability of food systems as a global common agenda and setting a vision for the future. The summit is being held based on the belief of UN Secretary-General Antonio Guterres that transformation to sustainable food systems will be crucial for delivering the Sustainable Development Goals (SDGs).

* The term “food system” refers to the constellation of activities involved in producing, processing, transporting and consuming food. According to the FSS Scientific Group, food systems embrace the entire range of actors and their interlinked value-adding activities involved in the production, aggregation, processing, distribution, consumption and disposal of food products that originate from agriculture, forestry, fisheries and food industries as well as the broader economic, societal and natural environments in which they are embedded. (Source: MAFF Website)

- Sumitomo Corporation's statement on the FSS
- The FSS-related website of MAFF, Japan (Japanese only)
- The FSS-related website of United Nations

Respect for Human Rights

Sumitomo Corporation Group's Human Rights Policy

Established in May 2020

Sumitomo Corporation declares in its management principles that it aims to be a global organization that contributes broadly to society and places prime importance on utmost respect for the individual. We will respect human rights to fulfill our corporate social responsibility, and pursue sustainable growth with society.

Sumitomo Corporation became a signatory in 2009 to the "Ten Principles of the United Nations Global Compact", which advocates for values common to its own management principles, including those regarding human rights and labor. We also respect the "International Bill of Human Rights" and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work", and we operate in accordance with the "United Nations Guiding Principles on Business and Human Rights".

1. **Scope of application**
   Sumitomo Corporation endeavors to ensure that all executives and employees within its group fulfill their responsibility to respect human rights. In addition, we encourage our suppliers and business partners to accept, understand and practice this policy so that we can work together to fulfill our social responsibilities, including respect for human rights in the relevant value chain.
2. **Human rights due diligence**
   Sumitomo Corporation strives to identify and to prevent or mitigate any adverse impact on human rights through the application of human rights due diligence processes. 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.
3. **Compliance with relevant laws**
   Sumitomo Corporation will comply with national and regional laws and regulations applicable to its group operations. When those laws and regulations are incompatible with internationally recognized human rights, we will seek to employ measures to respect international human rights norms.
4. **Stakeholder engagement**
   Sumitomo Corporation will seek to improve and progress human rights measures through engagement and dialogue with relevant stakeholders.
5. **Education**
   Sumitomo Corporation will appropriately educate its executives and employees within its group in order to ensure that this human rights policy is understood and implemented effectively.
6. **Reporting**
   Sumitomo Corporation will disclose appropriate information regarding its efforts to respect human rights.

Efforts to Address the UN Global Compact

Compliance with labor-related global standards and laws

The Sumitomo Corporation Group is addressing human rights issues. While complying with laws and regulations in our countries of operation, we support and respect the Ten Principles of the UN Global Compact, as well as the International Labour Organization's core labor standards of ten conventions in five areas: freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, elimination of discrimination in employment and occupation, and occupational safety and health. With regard to the elimination of discrimination in particular, we have clearly stated that no person should be discriminated against due to human race, nationality, gender, religion, creed, age, origin, physical or mental disability, or other reasons that are not related to business operations. We are also complying with minimum wage requirements based on the labor standards and labor conventions of each country.

Respect for the rights of children

As the world population is mostly made up of children and younger generations, the Sumitomo Corporation Group is aware that its corporate activities have an impact on the lives of children both directly and indirectly. For companies, children are family members of employees, as well as important stakeholders who will play future roles in the sustainable development of society. Based on this recognition, we signed the United Nations Global Compact in its support of the Ten Principles, and respect Children's Rights and Business Principles. We are committed to preventing the violation of children's rights through our business and social contribution activities.

Respect for the rights of indigenous peoples

As part of its commitment to respect human rights, the Sumitomo Corporation Group respects global standards pertaining to the rights of indigenous peoples, including the United Nations Declaration on the Rights of Indigenous Peoples, and the principle of "free, prior and informed consent (FPIC)." In business operations in areas where indigenous peoples reside, we recognize their unique culture and history and comply with applicable laws and regulations of each country or region.

Concept concerning the use of security companies

In the operation of its business in countries around the globe, the Sumitomo Corporation Group uses security companies to protect the safety and security of its employees. When necessary, we may use armed security personnel, recognizing the human rights risks involved and complying with laws and regulations of the countries in which we operate. We select security companies in accordance with the Voluntary Principles on Security and Human Rights and the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

Implementation and Progress of Human Rights Due Diligence

In accordance with the Sumitomo Corporation Group Human Rights Policy, Sumitomo Corporation began human rights due diligence in 2020 to identify, prevent, and address any adverse human rights impact that the Group business activities may cause or contribute to. In FY2020, as the first step, we worked to identify salient human rights issues that required prioritized action, based on a comprehensive assessment of potential human rights impacts across the Group. From FY2021 to FY2024, we conducted human rights due diligence across all businesses with the support of outside experts, identifying and assessing human rights risks.

Having completed a round of human rights due diligence across all businesses, we will adopt a risk-based approach by implementing enhanced human rights due diligence, including engagement with rights holders. In order to undertake human rights due diligence based on a risk-based approach, it is necessary to identify businesses with high human rights risks. Therefore, in FY 2024, we conducted a company-wide risk mapping exercise based on matters such as the results of human rights due diligence to date as well as the characteristics and risks of each business. Specifically, based on the OECD's due diligence guidance, we took into consideration four risk factors (sector, product, geographic, and enterprise-level) and sought the opinions of outside experts including Sustainability Advisory Board members to identify business areas within the Group that pose high human rights risks. In examining the risk factors, we referred to various sources such as literature, regulations, and external indices, including the following:

Sector and product risks: Based on more than ten authoritative sources and regulations, including the SASB Standards and the U.S. Department of Labor's "List of Goods Produced by Child Labor or Forced Labor"
Geographic risks: Based on sources such as the Global Rights Index

In organizing the risks associated with each sector and product, we expanded our group's eight salient human rights issues by adding two additional items—"Customer health and safety" and "Upstream supply chain issues"—bringing the total to ten. These were then combined with geographic risk factors to develop a comprehensive mapping, which was organized as follows.

Target businesses	Sector and product risks*1										
	Labor conditions	Freedom of association and the right to collective bargaining	Forced labor and child labor	Occupational health and safety	Discrimination and harassment	Health and safety of local residents	Land rights	Personal information and privacy	Health and safety of customers	Upstream supply chain issues	Geographic risks
Apparel and fashion accessories	○	○	○	○	○	○	-	-	○	○	-
Mining (including minerals trading)	-	○	○	○	○	○	○	-	-	○	-
Agriculture and food distribution	○	-	○	○	○	-	-	○	○	○	-
EPC and power generation	-	○	○	○	○	○	○	-	-	○	-
Electronic materials (EMS)	○	○	○	○	-	-	-	-	-	○	-
Forestry (including forestry products trading)	-	-	○	○	-	○	○	-	-	○	-
Marine transportation	○	○	○	○	-	○	-	-	-	-	-
Oil and gas (including trading)	-	○	-	○	-	○	○	-	-	○	-
Telecommunications*2	-	-	-	○	-	-	-	○	-	-	○
Automotive distribution*2	-	○	-	○	-	-	-	○	○	○	○
Industrial parks*2	-	-	-	-	○	-	-	-	-	-	○

*1 Risks associated with each sector and product are organized into a total of 10 categories: The Group's eight salient human rights issues plus two additional areas: "Health and safety of customers" and "Upstream supply chain issues."

*2 Businesses in certain regions from a geographic risk perspective

Timelines and ways of responding to human rights risks vary according to number of factors, including the severity of the risks and their level of involvement in each business. For this reason, each SBU and each group company should be responsible for their related human rights risks. For those risks which we identified and assessed through our human rights due diligence, each SBU and each group company prioritizes the risks based on their severity of the impact, incorporate them into concrete action plans, and implement the plan-do-check-act (PDCA) cycle.

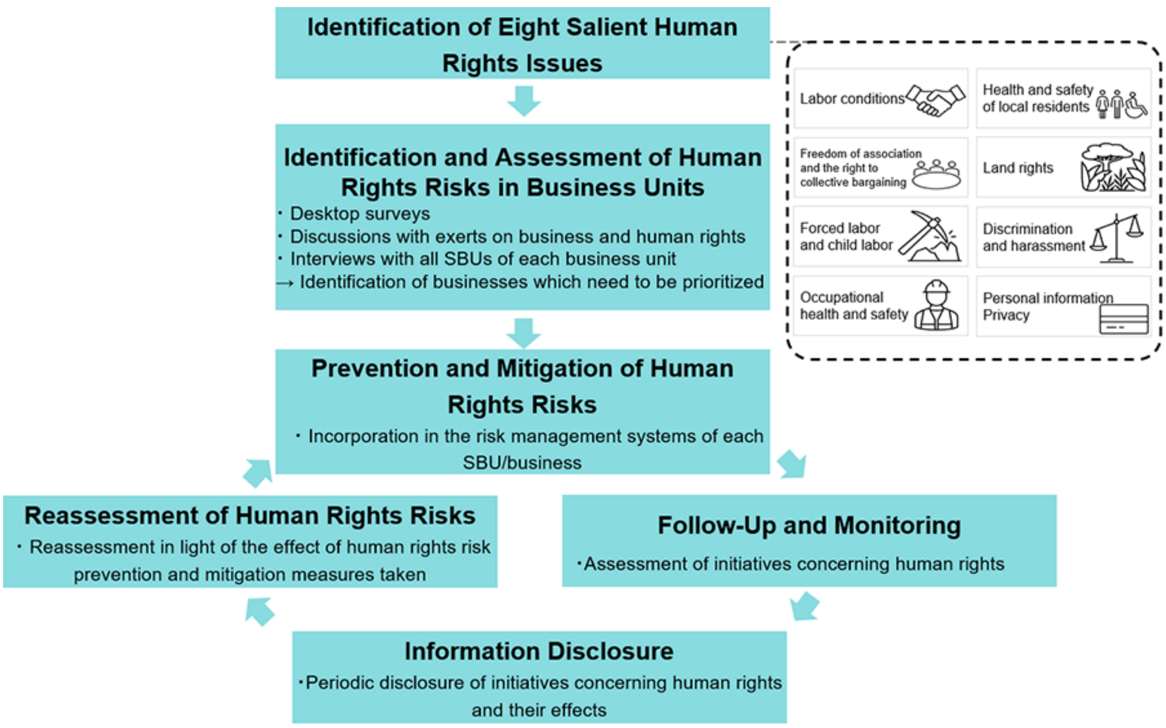
【Reference】Process of Human Rights Due Diligence across all Businesses in the Past

* Please note that the past human rights due diligence across all businesses was conducted based on the organizational structure prior to the organizational changes on April 1, 2024. Therefore, the results are presented according to the business Units as they existed at that time.

After having conducted a desktop survey in which we identified human rights issues, mainly but not limited to our eight salient human rights issues and referred to the actual cases of human rights risks which occurred in global business activities of ourselves or other companies, we had been conducting human rights due diligence starting from business units whose businesses are considered to have relatively higher human rights risks.

Specifically, interviewing all related SBUs of the business units with the support from outside experts, we confirmed the situation in each business and actual human rights risks including the impact on stakeholders, such as local residents and others related to the supply chain and business activities of each business. Besides, we identified potential risks that could be anticipated and discussed the status of any responses being taken. In light of these findings, and from the perspectives of the possibility to materialize human rights risks which we identified and their severity if materialized, we prioritized SBUs, or individual businesses within SBUs, to focus our prevention and mitigation effort on. After following these processes, with the cooperation of the Corporate Sustainability Department and relevant SBUs and group companies, we have implemented concrete measures to prevent or mitigate the identified human rights risks. Through this process, we are continuously promoting understanding and penetration of the corporate responsibility to respect human rights among the executives and employees of Sumitomo Corporation Group.

Please see here more details on our human rights due diligence.



* Also promote human rights due diligence in prioritized SBUs/businesses other than those identified in human rights due diligence in business units.

Completed in FY2024

Energy Innovation Initiatives (EII)

For human rights risks of forest management and forest product sourcing businesses which EII is taking leads, it is confirmed that responsible group companies take appropriate actions to mitigate environmental and social risks including the rights of indigenous people, working conditions and safety as well as those of suppliers.

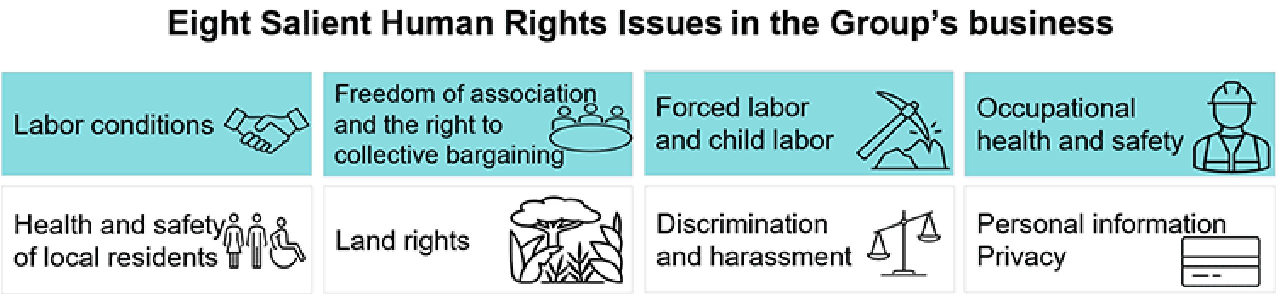
We conducted human rights due diligence for the rest of business in EII through interviews mainly on risks such as occupational health and safety, working conditions, and the health and safety of local residents, based on the characteristics of the business. As a result, we did not identify any actual human rights risks or unaddressed potential high risks.

Completed in FY2023

Transportation & Construction Systems Business Unit

Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Labor conditions, Freedom of association and the right to collective bargaining, Occupational health and safety	• In businesses with manufacturing sites, such as automotive castings and parts and shipbuilding, attention must be paid to worker health and safety and working conditions.	• Confirmed that there are no issues with the PDCA process, including the safety management system (occupational accident risk reduction process, occupational accident rate targets and measures to achieve) and prevention of recurrence of accidents when they occur. • Confirmed the status of appointment of the technical intern trainees in Japan and the care taken to ensure that workers are not negatively affected with regard to working conditions and occupational health and safety.
Forced labor and child labor	• In manufacturing operations of automotive parts, industrial equipment, etc, forced labor in the upstream of the supply chain, such as raw materials to be procured, should be noted.	• In some businesses, confirmed that efforts to further reduce the risk of human rights violations in their supply chain are strengthen by ensuring traceability of procured items and informing suppliers of the Group's "CSR Action Guidelines for Supply Chains" and "Human Rights Policy".
Personal information, Privacy	• In the automobile and motorcycle finance business, parking lot business, and vehicle leasing business for individuals, attention should be paid to risks related to leakage of personal information and invasion of privacy.	• Confirmed that personal information is managed in accordance with local laws and regulations, and that there are no issues with the management status.

Metal Products Business Unit



Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Occupational health and safety	• Many businesses have sites with high risk of occupational accidents, such as the processing and transportation of heavy steel products and steel pipes.	• Although occupational accidents have occurred in some businesses, confirmed that there is a safety management system in place and that there are no issues with the PDCA process, including the prevention of recurrence of accidents. • In the steel pipe business, confirmed that a global safety management system has been established and is in operation, and that the performance management of subcontractors' occupational safety and requests for improvement are being implemented.
Labor conditions, Freedom of association and the right to collective bargaining, Forced labor and Child labor	• At sites where steel products and pipes are processed and transported, due consideration should be given to working conditions and freedom of association, such as employment of foreign workers and shift work. • As the business uses minerals as raw materials, respect for human rights upstream in the supply chain, including conflict minerals, must be taken into consideration.	• Although some operations employ foreign workers and some sites have two/three shift work schedules, confirmed that no serious issues have occurred in dialogue with the labor union as well as responses to events raised in the Speak-Up System. • Confirmed that investigations related to conflict minerals and requests for investigations related to human rights from suppliers are being handled appropriately and no issues have been identified upstream in the supply chain.

Completed in FY2022

In FY2022, we identified and assessed actual and potential human rights risks in all SBUs of the Infrastructure Business Unit and Mineral Resources, Energy, Chemical & Electronics Business Unit, and confirmed the status of concrete initiatives, such as supplier surveys and improvement activities, for human rights risks of concern associated with the character of the business (product or region, etc.). As for some of the human rights risks identified through discussions, we will consider and implement further strengthening measures. In addition to the promoting of the understanding and entrenchment of the company's responsibility to respect human rights to officers and employees of the Sumitomo Corporation Group, through this process, we are driving concrete initiatives for human rights education based on the United Nations Guiding Principles on Business and Human Rights. In FY2022, we conducted a training program for all officers and employees of Sumitomo Corporation and achieved our medium-term goal of 100% participation rate.

Infrastructure Business Unit

Eight Salient Human Rights Issues in the Group's business

Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Occupational health and safety, Labor conditions	• Infrastructure Business Unit has many projects that have sites such as construction sites, where workers' working conditions and health and safety must be taken into consideration.	• Confirmed that all businesses are highly aware of the importance of occupational health and safety management, including employee training. • Confirmed that there is a system in place to check whether working conditions are appropriate through dialogue with workers, etc., and to take action as necessary, and that no serious issues are currently occurring.
Health and safety of local residents, Land rights	• In infrastructure business that procure and use natural resources, it is necessary to give due consideration to respecting the human rights of local residents upstream in the supply chain.	• For the upstream supply chain of natural resources used, the process of confirming social and environmental risks has been strengthened, taking into consideration the impact on local residents.
Health and safety of local residents, Land rights, Labor conditions	• For infrastructure businesses that involve land development, construction work, and infrastructure facility operation in each country region, it is important to have a system that leads to prompt and careful engagement with local residents and workers involved and appropriate actions.	• Confirmed that dialogue with local residents is carefully conducted in all of the projects, including the holding of preliminary explanatory meetings about the projects and daily communication at the local offices.

Mineral Resources, Energy, Chemical & Electronics Business Unit

Eight Salient Human Rights Issues in the Group's business

Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Labor conditions, Occupational health and safety	• In the mining and manufacturing businesses, there is a high risk of issues with working conditions and occupational health and safety for workers.	• Confirm that there is a safety management system at the group companies, and that there are no issues with the PDCA process, including prevention of recurrence of accidents when they occur. We also confirmed that there are no issues with working conditions.
Forced labor and child labor	• In the manufacturing and trading businesses, there are concerns about the risk of human rights abuses, including working conditions and forced labor, at the top of the supply chain.	• Confirm traceability of procured items with suppliers, and inform them of the Group's "CSR Action Guidelines for Supply Chains" and "Human Rights Policy," and consider further reducing the risk of human rights violations in the supply chain.
Labor conditions, Health and safety of local residents, Land rights	• In the mining business, employee compensation (for finding new jobs, etc.) and impacts on local communities and neighboring environments must be kept in mind when closing mines. These considerations must also be incorporated into mine closure plans.	• For mining operations that have already submitted closure plans to the government, we confirmed that the mine closure plan has been in dialogue with the community for many years during the process of establishing the closure plan, and that the plan also describes rehabilitation activities to stabilize the mining area after the closure of the mine.
Labor conditions	• In the mining and manufacturing businesses, it is preferable to develop mechanisms for obtaining employee feedback (speak-up system, suggestion box, etc.).	• SC Global Speak-Up is available at our group companies. Some group companies are considering the establishment of a Speak-Up system or a reference box, if necessary.
All	• In the mining business and other businesses, Sumitomo Corporation is a minor investor in many of their businesses. It is important to have a system for rapid sharing of information, including actual human rights abuses and the status of measures, from major investors to Sumitomo Corporation.	• In some businesses, discussions were held with the majority investor to ensure that information was shared with us by the majority investor at board meetings and in reports after the incident occurred.

Completed in FY2021

Media & Digital Business Unit

Eight Salient Human Rights Issues in the Group's business

Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Labor conditions, Forced labor and child labor	• Concern about human rights issues in supply chain: indirect suppliers and subcontractors.	• To establish human rights policies and procurement policies and publicize to suppliers. To understand actual human right situation of supply chain.
Discrimination and harassment	• Discriminatory statements and expressions may be included in the video distribution, entertainment content and advertisements.	• To consider risk prevention and mitigation measures, such as warning related staffs and introducing education programs for them.
Personal information Privacy	• Personal information leaks and privacy violations especially in digital marketing business.	• Confirmed that each business has been aware of the risks and has been working thoroughly to ensure legal compliance.
The right to know and freedom of expression	• The overseas telecommunications business is subject to the risk of infringement of the right to know and freedom of expression by shutting down or interception of communications.	• To continue initiatives to contribute to respect for human rights in the Myanmar telecommunications business based on human rights assessments.
New human rights issues (AI and data)	• Discrimination or privacy violations may occur through the use of data or algorithms.	• To conduct survey and case studies on the trends of legal and governance.

Living Related & Real Estate Business Unit

Main human rights issues	Identified actual and potential risks	Assessment and countermeasures
Labor conditions (wages and working hours), Occupational health and safety	• In the real estate related business, attention must be paid to labor conditions and occupational health and safety of not only to parties contracting directly with our company but also of parties related to the supply chain, including construction contractors and property-owning management contractors.	• Room to further consider broad communication of human rights and procurement policies when in discussions or contracting with construction contractors and other subcontracting business partners.
Freedom of association and the right to collective bargaining	• It is important to establish mechanisms for obtaining feedback from workers, including employees on agricultural land, in respect to the freedom of association and right to collective bargaining.	• Confirm that initiatives are being implemented to develop human rights due diligence processes, including interviews with employees, and to establish and publicize contact points for listening to the opinions of workers and other stakeholders.
Forced labor and child labor	• Some domestic businesses are employing foreign technical trainees. • The food distribution business must be on the lookout for forced labor and child labor upstream (agricultural land) in the supply chain.	• Confirm that consideration is being given to understanding the employment situation of the foreign technical trainees and to preventing adverse impacts on the workers in terms of labor conditions and occupational health and safety. Going forward, continue efforts to maintain and improve the working environment through regular discussions with the interns themselves. • Confirm that initiatives are being implemented to investigate and improve the situation after risks are materialized, and to identify and investigate supply chains with a high potential risk.
Land rights, Health and safety of local residents	• In the real estate related business, preparations must be made for situations that impact land rights and the day-to-day lives of local residents.	• Confirm legal compliance and briefings/discussions with local governments and communities.

Grievance Mechanism（Whistleblower report for external stakeholders）

In addition to an internal whistleblower system for employees, we receive opinions and grievance from external stakeholders, including the general public and customers.
Since FY2024, we have been a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), a general incorporated association that provides a platform for redress of grievances in compliance with the UN Guiding Principles on Business and Human Rights, and we receive various opinions on human rights from external stakeholders on the platform provided by JaCER. We receive opinions through a third party with expertise to improve fairness and transparency. Furthermore, the details of each case are reported to the management, including Chief Sustainability, DE&I Officer and the Corporate Sustainability Committee, to ensure timely and appropriate remediation and recurrence prevention.

In dealing with the report, we ensure that the whistleblower and related parties will not suffer any disadvantages as a result of reporting, and we protect the privacy and confidentiality of the whistleblower.

Report Form of JaCER

The progress and results of the response to the received report will be disclosed on the Grievance List on the JaCER website.

Employee Training on Human Rights

Sumitomo Corporation Group’s business activities cover a wide range of countries, regions and industrial fields. As per our Human Rights Policy, we consider that we have a responsibility to work with suppliers and business partners, instead of acting alone, to ensure respect for human rights throughout the entire supply chain, and we have been providing training on respect for human rights with employees. In addition to providing the training programs for the newly appointed manager and mid-career employees, , in FY2024, we expanded and completed the e-learning with respect to the necessity of respecting human rights throughout the supply chain and human rights issues that require attention in conducting business activities to all employees on a non-consolidated basis, to cover overseas regional organizations and consolidated subsidiaries. Also, we held an online study session conducted by an external expert on human rights laws and regulations and external trends, mainly focusing on the contents of the CSDDD. Around 400 employees, including those from subsidiaries attended the session.

Stakeholder Engagement and Collaboration with External Initiatives

Regarding the progress of human rights due diligence in business units and those conducted in some individual businesses where human rights risks are a concern, we engage, as necessary, with various external experts, including lawyers, NGOs, United Nations organizations, and consultants, and reflect on various opinions to improve our efforts. In addition, we have also been working to gain knowledge on human rights through participation in various external initiatives, such as working groups of the UN Global Compact Network Japan and Business and Human Rights Academy of the UNDP.

AI and Human Rights

While AI, advanced technology, enriches people's lives, it is globally pointed out that its development, operation, and utilization may lead to human rights issues such as invasion of privacy and algorithmic discrimination. Recognizing the need to prevent such human rights issues, the Group closely monitors guidelines and discussions of government agencies, academic societies as well as practices conducted by other companies. As we pursue digital transformation (DX) in our various business areas, we will continuously address to ensure that we do not cause human rights violations by protecting the privacy of our customers and users, and preventing unfair discrimination.

The Statement for the UK Modern Slavery Act 2015

We set out the steps Sumitomo Corporation has taken to help ensure that modern slavery and human trafficking are not taking place in all of our business or supply chains. The statement has been approved by the board of directors of Sumitomo Corporation.

- FY2024 Statement
- FY2023 Statement
- FY2022 Statement
- FY2021 Statement
- FY2020 Statement
- FY2019 Statement
- FY2018 Statement
- FY2017 Statement
- FY2016 Statement
- FY2015 Statement

Activity Description

Human Rights Initiatives at Fyffes

Fyffes, one of our group companies and, one of the world's leading companies in the production and wholesaling of fresh produce, is the only company in its sector to have completed four years of human rights due diligence, starting in 2019. In 2025 Fyffes will undertake its third corporate wide human rights impact assessment, including the environment (HREIA).

During 2024, Fyffes worked with an independent human rights expert to conduct on-site, in-depth HREIAs in Belize on its own banana farms, and with two banana suppliers in Costa Rica.

In addition to HREIAs, Fyffes has conducted independent Community Needs Assessment (CNA) in six countries, in 55 local communities surrounding our operations, acknowledging their concerns and interests while managing or mitigating the potential or actual risks that our operations may have on them. Over 3,000 people were interviewed anonymously as part of the CNAs.

Fyffes has had a United Nations Guiding Principles-compliant grievance mechanism available to employees and stakeholders since 2019. In 2023 Fyffes changed the provider of its grievance mechanism to address failings in network coverage in Honduras and Belize. The hotline is communicated to employees via email, via posters in farms and ripening centers and via townhalls. The hotline is available for stakeholders to report misconduct against the company's Code of Conduct – the Fyffes Principles of Responsible Business Conduct. Grievances are managed according to the Fyffes Ethics Committee Terms of Reference and Grievance Procedures and are received, assessed and investigated by the Fyffes Ethics Committee. The Ethics Committee is comprised of the Chief Corporate Affairs Officer, the Chief Human Resources Officer, the Chief Legal & Compliance Officer and the Ethical Compliance Manager.

Fyffes has trained 100% of its own workers on human rights and the company has a target and is on track to ensure 100% of supply chain workers are trained on human rights by 2030 with 12% of suppliers' workers already trained... Fyffes also has a target and is on track to ensure 100% of its own workers and 50% of supply chain workers are trained on gender equality.

Fyffes does not tolerate any forced labor nor migrant human rights violations and continues to conduct and participate in internal and third-party ethical and social audits, including Sedex Members Ethical Trade Audit (SMETA) audits throughout a large proportion of its supply chain, such as Fyffes owned farms, various grower partners and ripening facilities. In the UK, Fyffes Group Ltd has regular audits on its labor providers and investigates any signs of forced labor, e.g. retention of passports etc. Fyffes has formed a Human Rights and Environmental Due Diligence Committee and they are responsible for implementing mitigation measures to address the salient human rights risks. This Committee oversees the resolution of 86 separate mitigation actions to ensure Fyffes is fully compliant with the Corporate Sustainability Due Diligence Directive which will apply to Fyffes in 2028. Fyffes has committed to conducting a human rights impact assessment annually and an independent HRIA every third year. In September 2024, Fyffes published its third Human Rights Report, way ahead of its competitors and the vast majority of its customers.

During 2024 Fyffes strengthened its third-party due diligence by introducing a Supplier Code of Conduct and Due Diligence Policy [https://www.fyffes.com/our-story/policy-documents/] and both are referred to in contracts with suppliers. To enforce these requirements, Fyffes introduced Responsible Supply Chain team, formerly called compliance reporting directly to the Chief Corporate Affairs Officer, who oversees sustainability.

This team has been trained in conducting investigations into allegations of human rights and environmental misconduct in our grower supply chain. This work was undertaken as part of Fyffes CSDDD readiness.

Also in 2024, Fyffes Board of Directors approved an Ethical Compliance Charter under the Chief Legal and Compliance Officer.

In 2021, Fyffes published its first Sustainability Report. The report shared its 13 ambitious sustainability targets under the four focus areas "Stewardship for the Planet," "Enriching People's Lives," "Healthy Food for Healthy Lives," and "Fyffes Principles of Responsible Business Conduct." Fyffes sustainability targets are specifically aligned to nine United Nations Sustainable Development Goals and include six targets relating to human rights, including a commitment to train 100% of its employees, contractors and supply chain workers on human rights. Fyffes second Sustainability Report was published in September 2023 and the company will publish its third GRI-compliant Sustainability Report in September 2025.

Sustainability Report

Human rights Report

Supplier Management and Human Rights Due Diligence in the Food Business

We also urge suppliers and other trading partners as well as business partners to take action in order to promote respect for human rights throughout entire value chains related to Sumitomo Corporation Group businesses. As a specialized food and food products trading company that is involved in all processes from product development to selection of production areas in regions around the world, procurement of ingredients, production and processing management, logistics, and domestic distribution, SC Foods Co., Ltd. conducts supply chain management so that it can provide safe, reassuring, and high-quality products that take into consideration sustainability including respect for human rights.

Surveys are being conducted sequentially on products procured from overseas , and after completing investigations with all counterparts, the scope is being expanded to domestic counterparts. Furthermore, based on the survey results, for those identified as high-risk, measures to prevent or mitigate the risks are being considered and implemented. The outcomes are monitored, and a PDCA cycle for human rights due diligence is being established to lead to further improvements.

Black Economic Empowerment Act in South Africa

Due to the history of apartheid in South Africa, there are policies that aim to reduce inequality in rights and opportunities for black people to participate in economic activities and to improve their social status. It is required to include at least a certain number of black companies in a business project and to give back part of the profits to the community.

To comply with such policies, Dorper Wind Farm company, in which we invest, offers cooperation in improving the living environment of local residents and creating new jobs. Specific efforts include donation of equipment and refurbishment of buildings at kindergartens, schools and hospitals located close to the power plant, and support to restaurants operated by black women. Through these activities, we appoint local companies where possible. A portion of the shares of Dorper Wind Farm company are owned by local sponsors run by local residents and dividends distributed to such sponsors are used for various projects that meet the needs of local residents.

Dialogue with Local Residents in Mining Projects

In promoting resource development projects, understanding of local areas is essential. In the development project of the Ambatovy nickel mine in Madagascar, we have taken the initiative in having dialogues with the government and local residents, in cooperation with the diplomatic corps and lending banks group since the start of the development. We use these dialogues to share our belief that “this project is extremely important to the future of Madagascar” and deepen the mutual understanding of the significance of the project. In the Ambatovy project, we also promote the employment of people in Madagascar and improve their skills. In FY2024, about 89% of all workers are Madagascar people, and we are systematically working on technology transfer and human resource development for them. We have a complaint system to receive any kind of complaints, including human rights violations, in cooperation with local communities, in order to prevent accidents associated with the project and address them if they occur. Employees and external stakeholders are eligible to access this system. Project staff appropriately respond to complaints while protecting personal information. Since 2016, the Ambatovy project has joined the Voluntary Principles on Security and Human Rights (VPSHR) program in partnership with NGOs, the Madagascar government and other countries' embassies.

An elementary school built within the project site

Human Rights Initiatives for Telecommunication Business in Myanmar

Since 2014, Sumitomo Corporation and KDDI Corporation through KDDI Summit Global Myanmar Co., Ltd. (KSGM), a joint venture established between the two companies, have supported Myanma Posts and Telecommunications (MPT), one of Myanmar's licensed telecommunications service providers, inter alia to develop communication infrastructure, establish business locations, and enhance marketing activities, enabling the delivery of high-quality telecommunications infrastructure and services which have contributed to the economic growth and the welfare of people in Myanmar.

Since the declaration of the state of emergency in Myanmar in 2021, the situation in Myanmar has undergone significant changes, and our business operations have faced considerable difficulties. However, through technical know-how transfer and human resource development, which comprise the reduced scope of KSGM's support for MPT from FY 2025 onward, we continue to pursue our business purpose, namely to improve the lives of the people of Myanmar.

Recognizing the worsening human rights situation in Myanmar, in 2022, Sumitomo Corporation appointed respected international human rights consultants to undertake a human rights impact assessment, in line with our Group Human Rights Policy. Their recommendations included: ensure the safety of all employees; conduct ongoing human rights due diligence; and engage in dialogue with and support trusted stakeholders. Based on these recommendations, we took concrete actions. Under the guidance of human rights experts, we engaged with various stakeholders in 2024/2025, including local and international NGOs. These dialogues reaffirmed the importance of maintaining and securing telecommunications networks for the people of Myanmar in the context of respecting human rights. We also received feedback from stakeholders requesting us to conduct ongoing human rights due diligence and provide transparent communication regarding our human rights initiatives.

Furthermore, in response to the major earthquake that struck Myanmar in late March 2025, we provided extensive support to ensure the rapid restoration of telecommunications networks. From a humanitarian perspective, we also contributed disaster relief and assisted in the recovery of essential infrastructure.

Looking ahead, we remain committed to ongoing dialogue with stakeholders, incorporating insights from independent experts in the field of business and human rights to develop and implement action plans that promote respect for human rights. In addition, we will continue to closely monitor developments in Myanmar from the standpoint of the business environment and consider appropriate actions as necessary.

For further details on our previous disclosures, please refer to the following links:

- Sumitomo Corporation's Stance on Telecommunications Business in Myanmar
- Regarding to our Telecommunications Business in Myanmar
- Amendment of Telecommunications Business Agreement in Myanmar

Our People

Policy and Concept

Our People

Throughout our history spanning over 400 years, we have inherited and upheld Sumitomo's Business Philosophy. One of its core tenets, “Business is People” represents our unwavering belief that our people are the source of our competitiveness and the driving force behind our growth. This is also reflected in the Group's Management Principles and Activity Guidelines. In addition, we put into practice the vision and philosophy for global talent management outlined in our Global HR Management Policy.

This culture of valuing our people has long been perpetuated as an integral part of our Group's DNA, and we have always positioned talent discovery and development as top management priorities.

The Group, which is engaged in a wide variety of businesses on a global scale, aims to maximize the use of its own management capital to create new value by addressing social challenges, thereby enhancing corporate value sustainably over the medium to long term. Driving this value creation model are our people—our human capital—each of whom bring diverse knowledge and experience to conceive and advance our businesses. To achieve further growth as a Group, we must fully unlock the potential of our people and strengthen the collective capabilities of our organization. We will further accelerate investment in human capital so that individual talent with a variety of backgrounds and experience is empowered to take on challenges that shape the future. By advancing these efforts, we will enhance the effectiveness of our management strategies and achieve sustainable growth in corporate value.

Integrated Report（p.14 Value creation model）

Five Fundamentals of Human Capital

To put our value creation model into practice, we continuously invest in and advance the following five fundamentals of human capital. Through these efforts, we work to enhance employee engagement and foster individual growth. We aim to create a virtuous cycle where the growth of each of our people drives the growth of the Group's businesses, with the resulting achievements returned to our people as new opportunities for growth. This cycle is the foundation of the Group's growth and embodies the significance of our ongoing investment in human capital.

Fundamentals	Overview	Examples
Business Philosophy	By sharing and embedding the Group's DNA and corporate culture, we aim to enhance our people's motivation and sense of belonging, creating a united organizational culture that transcends business divisions.	Programs visiting Besshi Copper Mine, including for locally hired overseas employees, etc.
Inclusion	We aim to build a foundation for diverse ideas and innovation by securing a diverse workforce, respecting individual differences, and creating an environment where everyone is empowered to thrive in their own way.	Increasing the representation of diverse talent in decision-making positions, WILL recruitment, holding Inclusive awareness event, etc.
Talent Development	We develop the talent aligned with business strategies while building a pipeline of global management talent. By continuously investing in each talent's growth, we simultaneously enhance the market value of individuals and strengthen our capabilities as an organization.	Developing management talent, delegating and training line managers, renewing leadership programs, etc.
Well-being	To maximize employee productivity and performance, we are enhancing work environments and supporting the physical and mental well-being of our workforce.	Providing in-house clinics and programs to support a work–life balance, etc.
Total Rewards	In addition to competitive compensation, we offer non-financial rewards, such as career development opportunities and meaningful work, through fair and transparent processes to enhance employee motivation.	Introducing a job grading system, an absolute evaluation system, and an e-learning platform; expanding the internal job-posting system; etc.

Strategy Powered by People

Our goal is to implement the business strategies defined in our medium-term management plan and create long-term value by strengthening the capabilities of our strategic execution drivers – our people and our organization.

From a long-term perspective, as shown on the previous page, we aim to enhance and evolve our human capital by continuously investing in the five fundamentals in alignment with our value creation model to drive sustainable growth in corporate value. At the same time, we identify priority areas of human capital to strengthen at each stage of our strategy and take measures to enhance our execution capabilities.

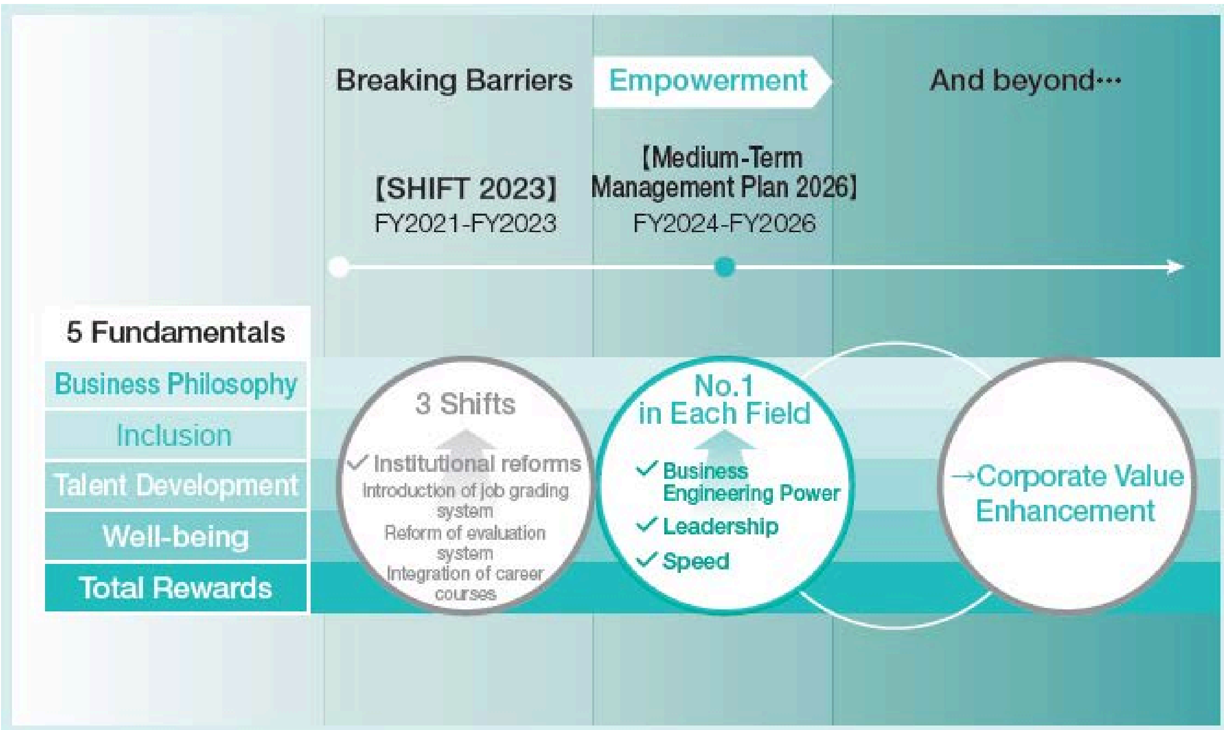
HR Roadmap for the Future: Priorities Aligned with Strategic Stages

While strengthening human capital to lead and drive the sustainable growth and development of the Group, we identify key priorities to enhance strategic execution under our medium-term management plan and work to reinforce our people and organization.

In the previous medium-term management plan, we worked on the foundation of our HR system as part of the Management Base SHIFT strategy. Specifically, we introduced a job grading system that eliminates seniority-based management and determines grades based on the scope of the job. We also reformed the evaluation system, shifting from relative evaluations to absolute evaluations focused on individual development. In addition, we integrated career courses, eliminating the rigorous course-based career system and unifying them under a professional track. These initiatives removed various institutional barriers, breaking away from conventional HR management practices often influenced by personal attributes. This created a foundation for truly placing the right talent in the right positions without bias.

The Medium-Term Management Plan 2026 marks a major shift toward a new growth stage. Building on the foundation established in the previous plan, it positions “empowerment of people and organizations” as a key element in the pursuit of becoming “No.1 in Each Field,” enabling individual talent to fully demonstrate their potential.

In the face of a rapidly evolving VUCA environment, we uphold the slogan “Unlock Your Power.” This means creating workplaces where individuals with diverse knowledge and experience, who are empowered more than ever, can passionately create new businesses and solve challenges in pursuit of “Enriching lives and the world.” In particular, we have identified “business engineering power,” “leadership,” and “speed” as critical capabilities of our people and organizations. We will take various measures to strengthen these capabilities and deliver dynamic growth.



Monitoring Indicators for Human Capital and Organizational Initiatives

We monitor the scores for “Employee Engagement Index” and “Work Environment Index” as indicators to verify whether our initiatives for people and our organization are producing the intended effects. Currently, our scores are on par with the global average, and we aim to maintain or improve this level.

Indicators	Overview	FY2023	FY2024
Employee Engagement	Employees’ level of commitment to the organization and their willingness to take initiative in their work	68%	70%
Work Environment	Work environment enabling employees to maximize their performance	68%	71%

Engagement Survey

Global HR Management Policy

Sumitomo Corporation established the Sumitomo Corporation Group "Global HR Management Policy". This policy sets forth the vision and concept of talent management on a global basis with the aim of achieving talent management for the creation of new value. It is used as the foundation for each HR initiative.

Booklet Download

e-book

- English (e-book)
- Japanese (e-book)

PDF

- English
- Japanese

Business Philosophy

Inheritance of the Sumitomo Business Philosophy

Sumitomo's Business Philosophy emphasizes the need for an enterprising spirit to stay a step ahead in dealing with change. It also ascribes the importance of maintaining integrity and sound management, avoiding easy gains, and working for the public interest, without being misled by short-term changes. This philosophy has continuously formed the basis of Sumitomo Corporation Group's business for more than 400 years. With the aim of experiencing and assimilating Sumitomo's Business Philosophy, which is the basis of the Group's Management Principles, we conduct training annually at Besshi Copper Mine in Niihama City, Ehime Prefecture (Trainings in FY2020 and FY2021 were cancelled due to the spread of COVID-19). The Besshi Copper Mine continued to produce copper for approximately 280 years from its opening in 1691 to its closure in 1973 and supported the foundation of Sumitomo's business. The visit of this mine is an opportunity to reconfirm the role that the SC Group should play in society. Also, all employees learn the history of Besshi Copper Mine upon joining the company.

In-house Education and Awareness on Human Rights

As a global organization contributing broadly to society, the Sumitomo Corporation Group holds management principles that place prime importance on integrity and sound management with utmost respect for the individual. Based on this principle, the Group developed the “Human Rights Policy” and the “CSR Action Guidelines for Supply Chain Management” to address various social issues including human rights. Through these initiatives, we aim to respect human rights to fulfill our social responsibility and pursue sustainable growth with society.
To this end, we have established the Human Rights and Dowa Issues Promotion Committee, which facilitates discussions on human rights issues such as discrimination against marginalized communities, persons with disabilities, foreign residents, and online human rights violations, at various organizational levels annually. Additionally, we conduct annual "Human Rights Training" with external speakers to further raise awareness of human rights issues.
Moreover, we provide e-learning content on the impact of corporate activities on human rights and the responsibility of companies to respect human rights, enhancing internal awareness efforts. We also conduct training on mental health and labor-related topics. Our tiered training programs for management include content on harassment prevention. We also provide education on fostering a harassment-free workplace and responding appropriately should any issues arise, thereby ensuring a workplace free from human rights violations.

Other Activities

In position-based training programs, as well as those designed for new graduates, mid-career hires, and locally hired employees of our overseas offices and Group companies, we conduct lectures on Sumitomo's Business Philosophy, organize visits to historical sites such as the Besshi Copper Mine, Sumitomo Yūhōen, and Sumitomo Kakkien, and hold workshops where participants share episodes related to our corporate philosophy, their personal strengths, and their work. Through these activities, they create their own version of "My Enriching lives and the world."
These activities aim to promote a deeper understanding and internalization of Sumitomo's business spirit, the Sumitomo Corporation Group's corporate philosophy, and our corporate message among our people.

Inclusion

Promotion of Inclusion

In an ever-changing business environment, where the regions, sectors, and business models in which we operate continue to diversify, inclusion of talent with a variety of backgrounds and experience is an essential element of our management strategy. We are committed to cultivating an organizational culture where individuals with diverse perspectives and ways of thinking can fully express themselves, regardless of attributes such as race, nationality, gender, age, sexual orientation, gender identity, or gender expression, as well as conventional values. We believe that creating such an environment is key to unlocking individual potential, generating new value and innovation, and ultimately enhancing our corporate value.
In terms of recruitment and appointments, we adhere to employment-related laws and regulations in each country and are committed to providing opportunities based on individual aptitude and ability. We do not engage in any form of unfair preference or discrimination based on personal attributes.

Diverse Talent Recruiting

Basic Policy on Recruiting

As a company that engages in global business, Sumitomo Corporation Group requires talent who are attuned to our businesses and principles, have high aspirations and continuous intrinsic motivation with an enterprising spirit, and a willingness to create new value on a global scale. We actively hire both new graduates and mid-career hires throughout the year, in alignment with our management and business strategies.

Number of New Graduates/Mid-career Hires

(Unit: persons)

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
New graduates*1		154	106	101	100	98	97
	Male	102	75	72	63	62	57
	Female	52	31	29	37	36	40
Mid-career*1		27	20	75	88	64	-
	Male	24	14	47	68	46	-
	Female	3	6	28	20	18	-
Ratio of mid-career hires*2		15%	16%	43%	47%	40%	

*Updated on May 1, 2025

*1 Including medical employees
*2 Number of mid-career hires as a percentage of all hires in a single fiscal year

Recruitment of New Graduates

We hold various seminars relating to recruitment and create opportunities to support the career development of post and undergraduate students.

Internships for University and Graduate Students

We offer internships to university and graduate students every year to have them experience the business of an integrated trading company and to provide an opportunity to support the development of their career views.

In FY2024, we conducted two types of internship programs, one is a workshop program related to our business, the other is a program which provides students with 'work-experience' on several business groups and organizations. The workshop program was based on Energy and Tubular business, allowing participants to get an experience on new business creation process utilizing design thinking skills, such as 'originality' and 'creativity' etc. On the work-experience internship program, participants could get to know realistic business world, through working alongside our employees, being assigned to one of 16 organizations. Through these programs, we provide opportunities for participants to experience the process of bringing a business into reality, develop their career perspectives, and deepen their understanding of our unique approach to creating new value.
〈Number of Past Participants〉
FY2020: 164 / FY2021: 148 / FY2022: 230 / FY2023: 319 / FY2024 : 193

Recruitment of Mid-Career Hires

The business environment surrounding us is changing rapidly. In order to survive the competition in this age of tremendous changes, we need to take on the challenge of doing business in new fields while expanding and advancing our existing businesses. To respond to these business needs, in line with our business strategy, we recruit mid-career professionals with diverse expertise and knowledge. Our mid-career hires have a wide range of backgrounds and include lawyers, public accountants, and those with other qualifications, as well as people with experience in various industries. These professionals from various fields are making use of their respective expertise for the benefit of our company. Mid-career hires account for approximately 40% of all annual hires, including new graduates. Notably, around 75% of mid-career hires are recruited for managerial positions, and they now represent 14% of all managers in our company (approximately 400 individuals). The number of mid-career hires appointed to director-level positions has also increased—from 11 in 2021 to 24 in April 2025.

Sumitomo Corporation recruits mid-career hires not only for their expertise and knowledge. We expect these talents who have diverse backgrounds to revitalize the company and organizations with their ways of thinking, work methods, out-of-the-box ideas, values, and help us enhance our competitive strength. Sumitomo Corporation will continue to promote mid-career recruitment along with the employment of new graduates for the retention of a diverse workforce.

New graduates and Mid-careers (Japanese)

Inclusive Awareness Event

We hold an annual company-wide Inclusive Awareness Event.
The aim is to remind all of our people that inclusion of talent with a variety of backgrounds and experiences is a source of competitiveness and serves as a catalyst for specific behavioral changes that further cultivate our inclusive culture. We deliver management messages and hold participatory events and seminars where employees can think about Inclusion from various perspectives. We will continue to hold this event on a regular basis in order to further cultivate our inclusive culture.

President & Outside Director Panel Discussion

A panel discussion was held featuring President Ueno and Outside Director Otsuki as panelists, under the theme “What is a strong organization that can realize “No.1 in Each Field”?” The session explored the actions and mindsets necessary for Sumitomo Corporation to achieve significant growth, from the perspective of Inclusion.

Alumni

A panel discussion was held with alumni who have taken on new challenges outside the company and employees who have returned to Sumitomo Corporation, providing an opportunity to reflect on what it means to build an authentic and self-directed career.

Family day

To foster a more inclusive organizational culture, a Family Day event was co-hosted by labor and management to encourage open conversations in the workplace about family and parenting, and to deepen understanding of childcare-related issues.

Femtech day

To promote an inclusive organizational culture, “Femtech Day” was held at both the Tokyo Head Office and the Kansai Office. The event provided an opportunity to openly address often-overlooked health challenges and deepen mutual understanding, while also introducing potential solutions. The program featured seminars led by external experts and exhibitions showcasing Femtech-related products and services.

Sumisho Well Support Co., Ltd.

Sumisho Well Support Co., Ltd., established in 2014 as a special subsidiary of Sumitomo Corporation, co-hosted seminars and exhibitions aimed at deepening understanding of disabilities. These initiatives were designed to foster greater awareness and inclusion within the organization.

Promoting Women's Empowerment

Our Approach towards Promoting Women's Empowerment

Sumitomo Corporation regards women's empowerment as an important theme especially in Japan, and we have formulated action plans with the aim of advancing this further, and set the following targets to be achieved by FY2030.

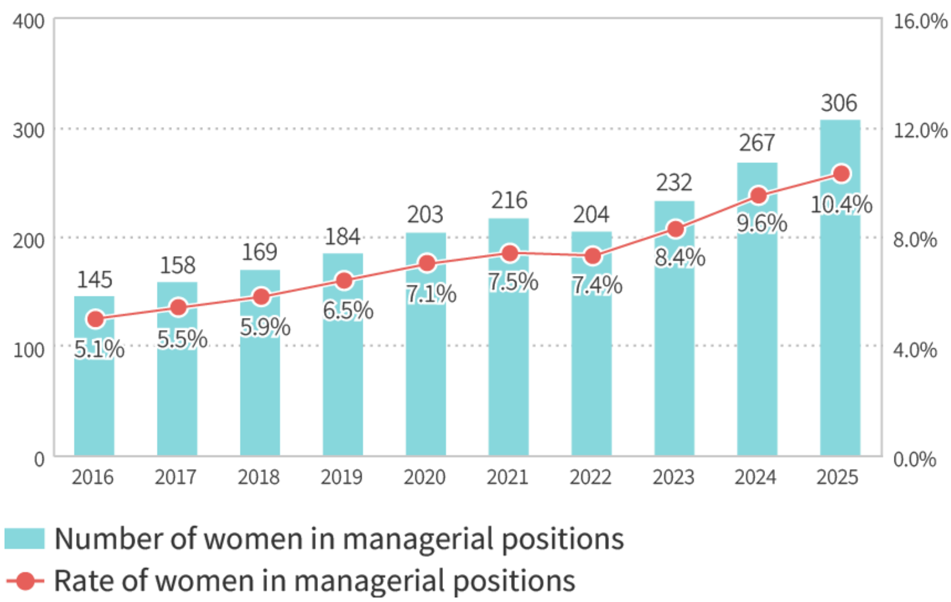
Ratio of women in managerial positions: At least 20% or more (Actual ratio 10.4% (FY2024))
Ratio of women in general manager positions: At least 10% or more (Actual ratio 2.6% (FY2024))
Ratio of women in Director and Audit & Supervisory Board Member positions: At least 30% or more (Actual ratio 18.8% (FY2024))

To achieve these targets, we are strengthening talent development and placement through the new HR system introduced in FY2021, and fostering an environment where all individuals can realize their full potential. We are strengthening our management pipeline by appointing a broad range of individuals, including women, with diverse backgrounds and professional experiences, to management positions.

In addition, in order to support our employees to balance life events and career development, we have reinforced tangible aspects including the establishment of internal policies that go beyond regulatory requirements and have addressed the intangible elements such as correcting long working hours, encouraging employees to take paid leave, and reforming employee awareness with the aim of creating an environment that facilitates active participation in the company after childbirth and childcare.

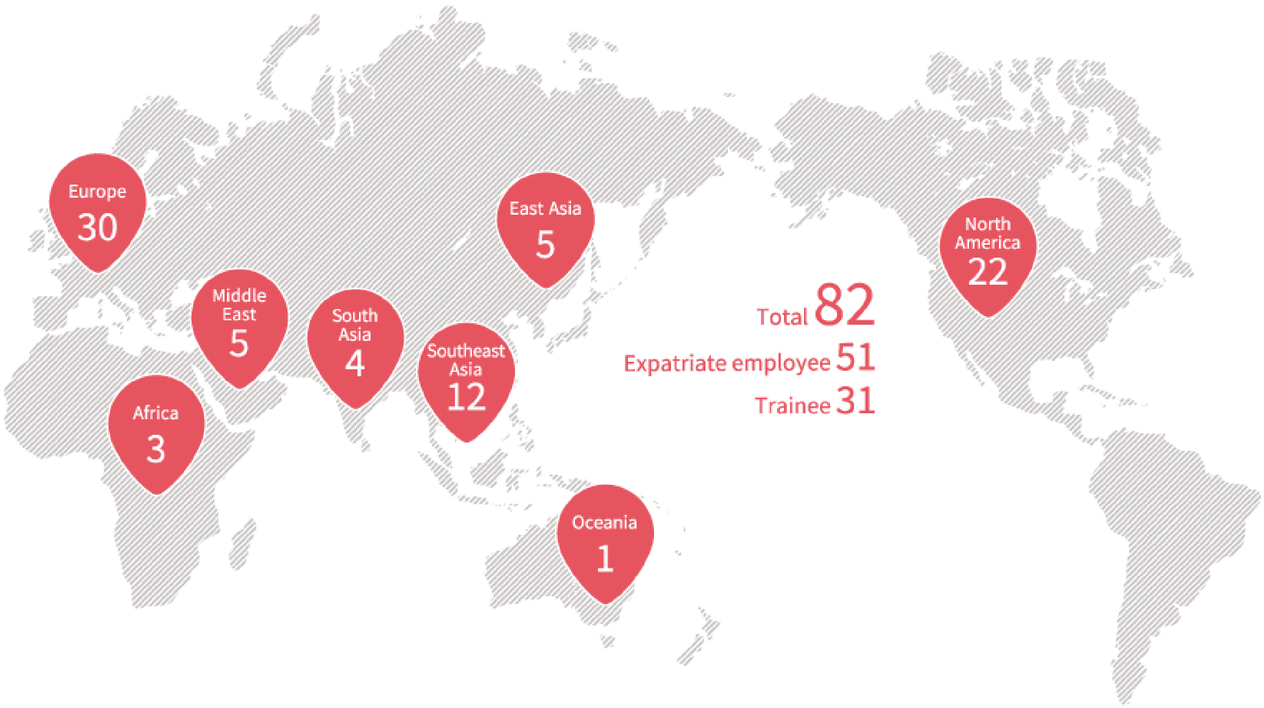
- Action Plan (Japanese only)
- External Recognition

Number of women in managerial positions*



* Figures are as of April 1

Women of expatriate employees and trainees



Development of Global Talent

Advancing Global Measures to Develop Talent

Aiming to recruit and develop talent 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 senior executives, managers, and senior staff. These training programs establish a shared sense of the SC 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.

Appointment of Global Talent

The Sumitomo Corporation Group deploys business operations globally in a wide range of industries. Such operations are supported by the Group's global network consisting of 21 offices in Japan and 104 outside Japan, extending to 63 countries and regions throughout the world, with approximately 7,500 employees as of April 2025. The latest data shows that the number of locally hired overseas employees in managerial positions has reached around 950, up from 820 employees recorded five years earlier. The ratio of locally hired overseas employees in management positions in the organizations outside Japan is more than 66%. In order to promote strategic assignment and appointment in line with the business strategies and to consistently promote the principle of "the right talent to the right positions" on a global basis, the SC Group develops and updates succession plans for the next generation and subsequent generations. Such succession planning covers key positions in both domestic and overseas organizations and our group companies, and is aimed at fostering successful talent management across the SC Group. For candidates to key positions, we arrange systematic career development plans to ensure that they can gain the necessary experience and skills. In this way, we endeavor to enrich our talent pool in terms of both quality and quantity. As a tool for this purpose, we have established the Global Mobility Policy (common rules for the SC Group regarding treatment and benefits for employees when relocating overseas) and Job Grading, which enables us to compare the size of jobs on a global basis. We are also building a talent database on a global basis. Toward the sustainable growth of the SC Group, we will continue to actively appoint talented people to key positions in Japan and overseas, regardless of nationality.

Raising Awareness of LGBTQ+*1

The Sumitomo Corporation Group Compliance Policy and the Employment Rules codify that no fear or discomfort shall be caused through sexualized speech or conduct, harassment, slander or defamation, intimidation, violent behavior, or the like on the basis on sexual orientation or gender identity. We also work on awareness-raising activities such as in-house training, with the aim of creating a work environment where each employee supports the LGBTQ+ community with an informed and respectful understanding of sexual orientation, gender identity and gender expression. In addition, we are also continuously working to improve our systems and environment, so that all employees including LGBTQ+ can feel safe and be their true selves at work. In recognition of our comprehensive LGBTQ+-related measures in Japan, we received the highest "Gold rating" in the "PRIDE Index" in 2023 and 2024. This index was developed by the Japanese voluntary association "work with Pride" to evaluate workplace initiatives related to LGBTQ+.

We will continue to work to create an environment in which each individual can fulfill their potential and continue to generate new value, regardless of sexual orientation, gender identity, or gender expression.

Evaluation indicators that comprise the PRIDE Index	Initiatives
1. Policy : Declaration of actions	• Establishing the Global HR Management Policy • Commitment as part of our Material Issues*2 “Respect human rights", "Develop talent and promote DE&I”
2. Representation : Community for LGBTQ+ people	• Clarifying the role of the consultation desk (SCG Counselling Center as well as consultation desk for harassment and support systems) • Providing tools to help employees become ”Allies”*3
3. Inspiration : Awareness-raising activities	• In-house seminars and e-learning programs for all employees • Regular sharing related information through internal communication • Organizing annual Inclusive awareness event, including a panel discussion with members of the LGBTQ+ community
4. Development : Personnel systems and programs	• Extending benefit programs to same-sex partners • Supporting employees receiving gender-affirming care (surgery and hormone therapy) to continue working • Providing all-gender restrooms on each floor • Allowing use of chosen names in the workplace • Creating guidelines for transgender and nonbinary employees • Creating guidelines on so-called SOGI harassment*4
5. Engagement/Empowerment : Social contribution and public relations	• Participation in a joint employment briefing session (DIVERSITY CAREER FORUM held by the NPO “ReBit”) • Providing information on external LGBTQ+ events • Co-hosting inclusion events open to participates from both inside and outside the company

*1 LGBTQ+: L=Lesbian, G=Gay, B= Bisexual, T=Transgender, Q=Questioning, Queer

*2 Material Issues: Medium- to long- term commitment that goes one step further toward addressing key social challenges that the Sumitomo Corporation Group must undertake.

*3 Ally：A person who supports and stands in solidarity with members of the LGBTQ+ community. Anyone - including LGBTQ+ individuals themselves - can be an ally.

*4 SOGI harassment：Harassment and discriminative remarks and behaviors related to people’s sexual orientation and gender identity (SOGI).

Promotion of the Employment and Retention of People with Disabilities

As part of its efforts in corporate social responsibility and toward diversity, Sumitomo Corporation Group has been promoting the employment of people with disabilities.
In 2014, we established Sumisho Well Support Co., Ltd., a special subsidiary company, and we have worked with them since then to employ people with disabilities and provide them with opportunities to participate.
As of June 2025, approximately 120 employees with disabilities are working for the two companies, and Sumitomo Corporation's actual employment rate is 2.65%, exceeding the Japanese legal requirement.
Employees of Sumisho Well Support are engaged in various tasks, such as outsourced general office tasks, scanning documents for digitization, printing and binding of business profiles, and business-related data input. They are extremely important to the business activities of our company. Going forward, SC Group will continue to rely on the uniqueness of each of our employees with disabilities to help in our creation of added value.

Sumisho Well Support Co., Ltd., a special subsidiary company（Japanese only）

Replacing and replenishing returnable cups on each floor

Sorting of collected paper resources

Alumni Network

The SC Alumni Network was established in FY2019 to provide opportunities for alumni now working in other companies to interact with current officers and employees of Sumitomo Corporation. The purpose of the network is to foster an open corporate culture while creating new business opportunities by merging various knowledge and personal networks inside and outside the company. Alumni are expected to play a supporting role in securing talent while working to create a more interconnected network.

Open Innovation Lab "MIRAI LAB PALETTE"

MIRAI LAB PALETTE promotes various collaborations as a community organizer to create new values with partners in diverse fields beyond the framework of the Sumitomo Corporation Group. We launched it in 2019 as part of Sumitomo Corporation's 100th anniversary initiative.
Based on the concept of breaking away from traditional practices, creating a space where people of completely different backgrounds and cutting-edge technologies can meet and inspire each other, and creating new value that transcends all organizational boundaries, we provide facilities (Otemachi) and functions designed to bring together a diverse range of people and foster collaboration and co-creation. MIRAI LAB PALETTE's greatest strength lies in its diversity, with over 8,500 members registered (as of May 2025) from various sectors, including industry, academia, government, and the private sector. Additionally, the average number of active visitors per month is approximately 1,800.
Through various daily activities, such as providing collaboration spaces, hosting events and programs, and facilitating member matchmaking, we create collaborations that transcend all boundaries.

Talent Development

Basic Talent Development Principles

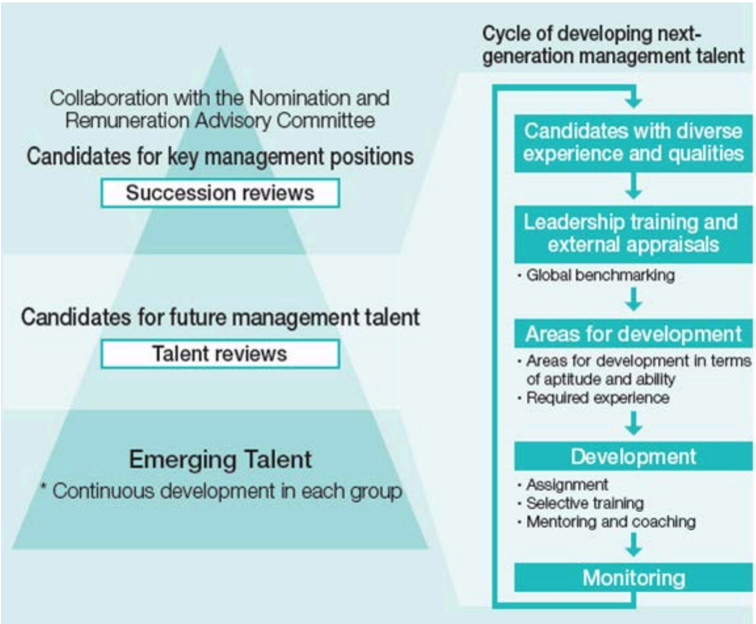
Sumitomo Corporation Group has inherited and upheld Sumitomo's Business Philosophy throughout our history spanning over 400 years. One of its core tenets, “Business is People,” represents our unwavering belief that our people are the source of our competitiveness, the driving force behind our growth, and our most important management capital.

As the Group is engaged in a wide variety of businesses on a global scale, it is our people — our human capital — each of whom brings diverse knowledge and experience to conceive and advance our business initiatives and plan and implement our strategies. We focus on developing such talent while building a pipeline of global management talent who can continuously create value even in rapidly changing business environments. By strategically and continuously investing in our human capital, we support the sustainable growth of each employee, simultaneously enhance the market value of individuals and strengthen our capabilities as an organization.

Development of Management Talent

We are methodically creating opportunities for diverse talent to rapidly acquire the skills and experience needed to drive our medium-to long-term strategies.

This initiative is driven by a company-wide commitment, with the CEO, Group CEO, regional heads, and HR working together to shape a clear vision of the future leadership talent needed over the next 5 to 10 years and refine the capabilities required to succeed. Based on this, we are matching talent with challenging assignments and cross-organizational rotations so that our talent can enhance the required capabilities. By running a talent review cycle that monitors post-assignment performance, we are steadily cultivating and producing future management talent.



Introduction to Our Talent Development Programs

We organize approximately 130 OFF-JT training sessions annually under the Sumisho Business College (SBC). We provide an environment where individuals can proactively acquire the knowledge and skills required in their respective fields. In addition, we continue to offer long-term, selective programs that provide the knowledge and skills necessary for business management. Many of our participants, upon completing these programs, assume leadership roles in domestic and international business operations. We also leverage high-level external training opportunities, such as overseas executive programs, to further enhance our talent development efforts. Furthermore, starting from fiscal year 2024, we have introduced the e-learning platform “LinkedIn Learning” company-wide. This initiative aims to provide equitable self-learning opportunities regardless of location or working conditions, fostering a self-initiated learning culture within the company and supporting each employee's self-directed growth and career development.

LinkedIn Learning

＜Reference : FY 2024 Entire Sumitomo Corporation Training Data＞

	SBC Training*	Training Conducted by Business Units (excluding SBC Training)	Total
Number of sessions (per year)	2,703 sessions	1,267 sessions	3,970 sessions
Total number of participants (non - consolidated)	12,435 people	52,997 people	65,432 people
Total training hours (non - consolidated)	76,351 hours	66,108 hours	142,460 hours
Average number of training courses taken per employee (non - consolidated)	2.5 sessions	10.7 sessions	13.2 sessions
Hours of training per employee (non - consolidated)	15.4 hours	13.3 hours	28.7 hours

* Including LinkedIn Learning (an e-learning platform).

Long-Term Programs for Selected Employees

In our long-term selective programs, we aim to cultivate a comprehensive understanding of management, facilitate self-reform, and develop practical leadership skills—objectives that are challenging to achieve through short-term programs. Each training program is designed to select individuals who are currently excelling in their fields or are anticipated to become future leaders. These programs are dedicated to fostering and advancing the development of "Top Tier professionals" across diverse fields.

SEP (Sumitomo Executive Program)

This program is designed for individuals at team leader to unit leader level, who are expected to assume future leadership positions and are anticipated to develop a company-wide management perspective. Through dialogue with top management and members from various industries, participants will receive insights and external stimuli from executives and industry leaders. The program aims to help them gain awareness of the broad strategic perspective, thinking, and commitment essential for executives. Approximately 30 participants will engage in the program over a six-month period, which includes around 30 days of sessions. They will conceptualize Sumitomo Corporation's management strategy and present action plans as leaders towards their envisioned goals.

MCP (MIRAI Creator Program)

This program is designed for employees who are expected to gain experience in strategic planning from the perspective of SBU heads or division managers, as future executives. Through various case studies, participants will repeatedly engage in simulated executive experiences to develop their strategic vision, decision-making abilities, and leadership skills. Additionally, by visiting the Besshi Copper Mine and participating in leadership philosophy sessions, participants will solidify their personal theories and worldview regarding management and organizational talent, thereby fostering their own management perspectives. Approximately 25 participants will take part in this program, which spans about 10 months and includes approximately 20 lectures. Upon completion, participants will deliver presentations on the theme of "The Desired Vision as the Head of an SBU/Division/Key Business Unit Ten Years from Now."

Company-funded participation in domestic and international executive programs

We sponsor employees who are expected to become future executive candidates within their respective organizations to participate in executive programs at business schools both domestically and internationally. The objectives of these programs include cultivating an awareness and mindset suitable for future executives, acquiring comprehensive management knowledge and decision-making skills, and gaining insights through interactions with professionals and executives from other companies. Each year, we send over 60 participants to domestic business schools and consistently send more than 5 participants to top-tier business schools abroad.

Selective Programs

In our selective programs, we offer over 50 different programs that cover a broad range of knowledge and skills, from foundational to advanced levels, necessary for thriving as a management professional who can contribute to society through business. Initially, participants are required to complete the "Introduction" and "Fundamentals" courses to acquire the standard skills expected of a trading company professional. Following this, they have the freedom to select and enroll in programs that provide the specific knowledge and skills needed for their roles from among the available options. Our programs are designed to be accessible regardless of the participant's current department or responsibilities, supporting employees who are committed to continuous learning through comprehensive training opportunities.

Position-Based Training Programs

We provide training programs at key career milestones, such as upon promotion to higher grades or appointment as a line manager or organizational leader. These programs are designed to ensure understanding of internal systems and to build the competencies necessary to drive business forward. In addition, we are currently working to restructure our training framework and are considering the global implementation of leadership development programs tailored to the specific responsibilities and roles required at each level.

New Employee Development Structure : Instructor System / New Employee Supporter System

The Instructor System and New Employee Supporter System are important initial training programs to develop new employees into professionals and Sumitomo Corporation employees.

Instructor System

We provide on-the-job training to help new employees start their professional life smoothly (explanation of job duties and basic behavior as a member of society), comprehensive education, values to have as a Sumitomo Corporation employee, and the transmission of the organization's work culture, etc. to foster a mindset that will be the foundation for growth as a Sumitomo Corporation employee.

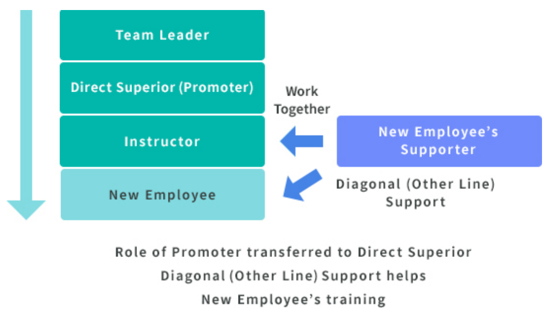
New Employee Supporter System

In FY 2022, we introduced the New Employee Supporter System with the aim of supporting new employees in their working environment. The newcomer supporter is a senior employee who stands a little apart from the new employee and provides support and training through periodic one-on-one interviews. We aim to develop our talent throughout the organization in cooperation with supervisors and instructors.

	Instructor	New Employee Supporter
Requirement	P1 (AP possible)	
Term	1 year	

* AP: Advanced Professional, P1: Professional 1
* Supervisor, as "Promoter," provide guidance from a higher perspective and create an organization-wide environment to guide and develop new employees.

Workplace-wide Talent Development System



Trainee Programs (Overseas and Domestic Programs)

As a global business group, the Sumitomo Corporation Group offers many intern programs to develop our talent who can work effectively around the world.
These include a trainee program designed to develop talent who can play an active role on the global stage, a language training program that develops language and regional specialists, an overseas study program primarily for acquisition of an MBA, a venture intern program designed to foster individual strengths in domestic startups.
Each year, 80 to 100 trainees in these training programs are dispatched to different regions of the world, including Japan.

Trainee Program				
	Overseas Trainee	Language Traine	Venture Internship	International Students
Objective	**Training for candidates for expatriate staff** Candidates are trained at overseas stores and Group companies to acquire special expertise that could not be acquired at the Head Office. Overseas stores, business investment companies and other companies.	**Training for language specialists** Future specialists in languages (other than English) study at overseas language schools and universities for one year and receive practical training at overseas stores and Group companies for a further one year, thereby acquiring business-level language proficiency.	**Training intended to develop individual skills** Fostering individual skills through the experience from perspective of managerial at a domestic start-up company (we call it venture), creating business from R&D and promote sales.	**Training for the Acquisition of expertise and skills** Participants will acquire tremendous expertise and skills that meet global standards and other business needs.
Target	P1.P2		AP~P2	
Period	1.5 to 2 years	2 years	6 months to 1 year	1 to 2 years
Dispatched to	Overseas stores, business investment companies and other companies	Language schools and universities + Overseas stores, business investment companies in non-English-speaking countries (One-year study and one-year ractical training = Two years)	Domestic start-up company	Business/Law School

* AP: Advanced Professional, P1: Professional 1, P2: Professional 2

Programs for Sumitomo Corporation Group companies within and outside Japan

The Sumitomo Corporation Group also attributes importance to talent development at Group companies in and outside Japan. We leverage the development know-how gained at Sumitomo Corporation to provide Group companies with training programs suitable for them. These programs also provide participants with opportunities for interpersonal exchange and to build great networks.

Development program for locally hired overseas employees

Global Training Program for Staff Overseas

We provide locally hired employees of our overseas offices and Group companies with different-career-level training in English, with a view to helping them achieve growth. We invite locally hired employees from across the world to the Head Office in Tokyo, where we conduct lectures on Sumitomo's Business Philosophy and strategies and help them acquire business skills such as cross-culture and leadership. Through this training they can develop a sense of unity and improve their skills as members of the Group.

Long-term programs to develop selected employees of Group companies into management talent

School for developing strategic professionals

Targeting Sumitomo Corporation Group employees who are expected to become leaders responsible for managing their own company, we implement a leadership program in which participants acquire the skills necessary to set visions and strategies from a long-term perspective and hone the leadership abilities they will need to implement the strategies. Over the course of approximately six months, participants attend around 15 lectures and conclude the program by delivering a presentation on the theme: "What our company should aspire to be in 10 years."

Development program for employees of domestic Group companies

Level-specific programs for Sumitomo Corporation Group companies

For Group companies in Japan, we provide a range of programs from new employees to general managers to help them acquire the leadership mindset and skills required for their respective positions and make progress for further improvement.

Support for Senior Employees' Activities

We are developing working environments where every individual can work with intrinsic motivation regardless of their age.
In both our current HR management system and post-retirement re-employment system revised in FY2022, we follow the basic concepts of "Pay for Job, Pay for Performance." We have eliminated seniority-based promotion and ensured that we promote the right talent to the right positions according to the strengths and expertise of each talent.
On the other hand, for senior employees who have a wide range of experience and extensive knowledge, we offer additional support measures to help them develop a strengths-based career path. This includes encouraging self-directed career development and offering opportunities for recurrent training throughout their careers.

Career Development Programs

We conduct career training workshops tailored to each generation. For senior employees, we provide opportunities to reflect on their careers and offer insights and information to help them design their future career and life plans, fostering continued growth and success.

Career Design Seminars・External Interaction Program

We provide valuable information through our Career Design Seminars, supporting senior employees as they take their first steps toward reskilling and rethinking their career and life plans.
We offer opportunities for employees to interact with professionals from different industries through our External Interaction Program. These experiences help them recognize their own value and identify transferable skills, thereby expanding their future career possibilities.

Career Assessment Interviews

Every year, employees aged 45 and older are provided with an opportunity to consult with their direct superiors regarding their post-retirement career and life plans. Through this system we support them in selecting flexible post-retirement work styles aligned with their individual needs.
Moreover, during the interview, employees aged 58 and 59 are briefed on the assumptions about their post-retirement assignment and treatment. The interview thus provides both employees and the company with an opportunity to align their mutual expectations.

Support for Employees Exploring Their Next Career Paths

Sumitomo Corporation has established a dedicated body within its HR Solutions Department to assist employees aged 50 and older in exploring future career options. This team provides career support to employees, including assistance with internal role transfers, guidance for external career opportunities, and strategic planning for their next professional steps.
To further support those considering career changes outside the Company, we have appointed re-employment support agencies. These agencies' professional counselors work closely with individuals to support their next careers by providing various services tailored to their specific needs.

Sumitomo Corporation Global HRD Center

- A training center to develop global talent and for the use as a strategic multipurpose facility -

The Sumitomo Corporation Global HRD Center in Ginza, Tokyo serves as a training center to develop global talent as well as a strategic multipurpose facility. International colleagues from different organizations and countries all over the world meet at this facility for intensive discussions on the future visions and strategies of the Sumitomo Corporation Group.

Sumitomo Corporation Global HRD Center

Job Training Programs at Toyota Iraq

Sumitomo Corporation conducts job training programs through Toyota Iraq, a subsidiary, to create local opportunities for stable employment and enhance the skills of job seekers. Prolonged conflict in Iraq has had tremendous impacts on the people, and more than 3 million people have been forced to leave their homes and have become internally displaced persons (IDPs).

Over recent years, employment has become a more serious issue for the younger generation in particular, and creating local skills training and employment opportunities is an urgent matter. Because of such problems, Toyota Iraq has been working with the UNDP since 2016 to conduct job training programs for such IDPs. Starting in 2020, the company has also been working with the International Organization for Migration, an organization affiliated with the United Nations, to conduct new programs offered to persons other than IDPs as well. To date, 108 persons have completed a total of 9 job training programs. These graduates have been offered support in finding work at local companies, and the programs themselves are continuing.

Sumitomo Corporation hopes to achieve sustainable development of local communities through these programs and will continue to support the creation of job opportunities and skill enhancement in Iraq through these business activities.

Trainees receiving training on vehicle maintenance, parts warehouse management and customer services

Well-being

Basic Policy

Sumitomo Corporation has adopted the “Declaration of Iki-iki Waku-waku Health and Productivity Management” for the Sumitomo Corporation Group, based on the concept that a healthy mind and body are essential for each employee to maximize their performance and are the foundation for the continuous creation of new value. In line with the “Declaration of Iki-iki Waku-waku Health and Productivity Management,” the SC Group will engage in various initiatives according to current conditions at each group company.

Declaration of Iki-iki Waku-waku Health and Productivity Management

The Sumitomo Corporation Group aims to be a company in which all employees work with energy (Iki-iki), excitement (Waku-waku), and in good health, taking on challenges to create new value.

Our Group’s Corporate Mission is: “To achieve prosperity and realize dreams through sound business activities.” In order to fulfill this mission, it is necessary for all employees to perform at their highest level and to continue to create new value. To this end, it is crucial that each employee maintain good health.

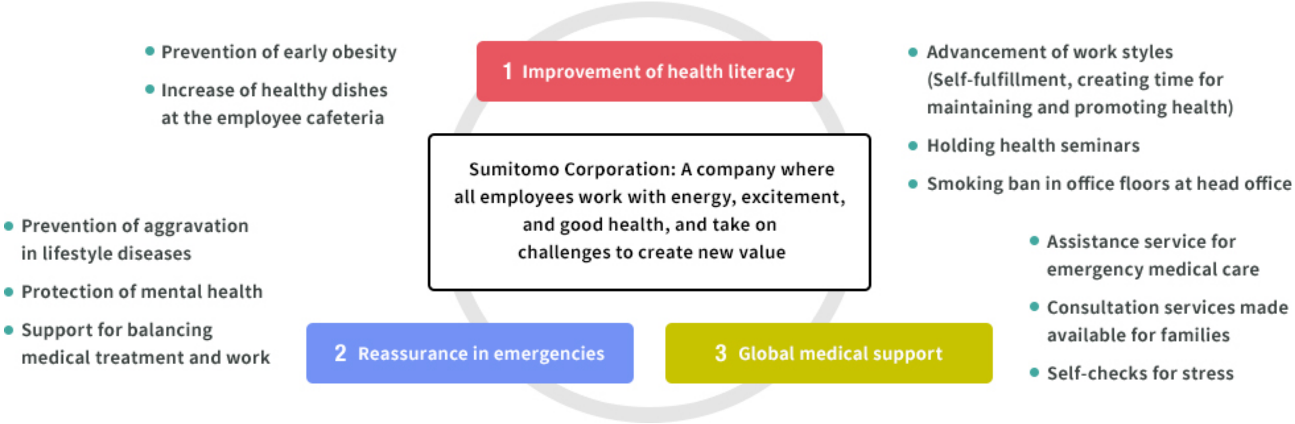
The Sumitomo Corporation Group will engage in “health and productivity management” that allows employees to work with energy, excitement, and good health, and creates value by further enhancing existing measures for maintaining and promoting employee health.

We will consider, implement, verify, and improve viable measures by establishing a foundation for health promotion that can be shared throughout the Sumitomo Corporation Group in accordance with the current circumstances at each group company.

The Sumitomo Corporation Group believes that its most important management capital is the health of its employees, who work in challenging global business environments characterized by complexity and rapid change, and declares its intention to strategically implement measures to maintain and promote the health of its employees in mind and body.

Chief Administration Officer and Chief Compliance Officer
Yasuhiro Yoshida

In addition, Sumitomo Corporation has set three main pillars for health and productivity management: “Improvement of health literacy,” which will enable employees to continue to work energetically, “Reassurance in emergencies,” which provides reassurance that employees will be taken care of when they fall ill, and “Global medical support,” which is unique to trading companies. With these three pillars, Sumitomo Corporation will further promote health and productivity management in accordance with the aforementioned Declaration.

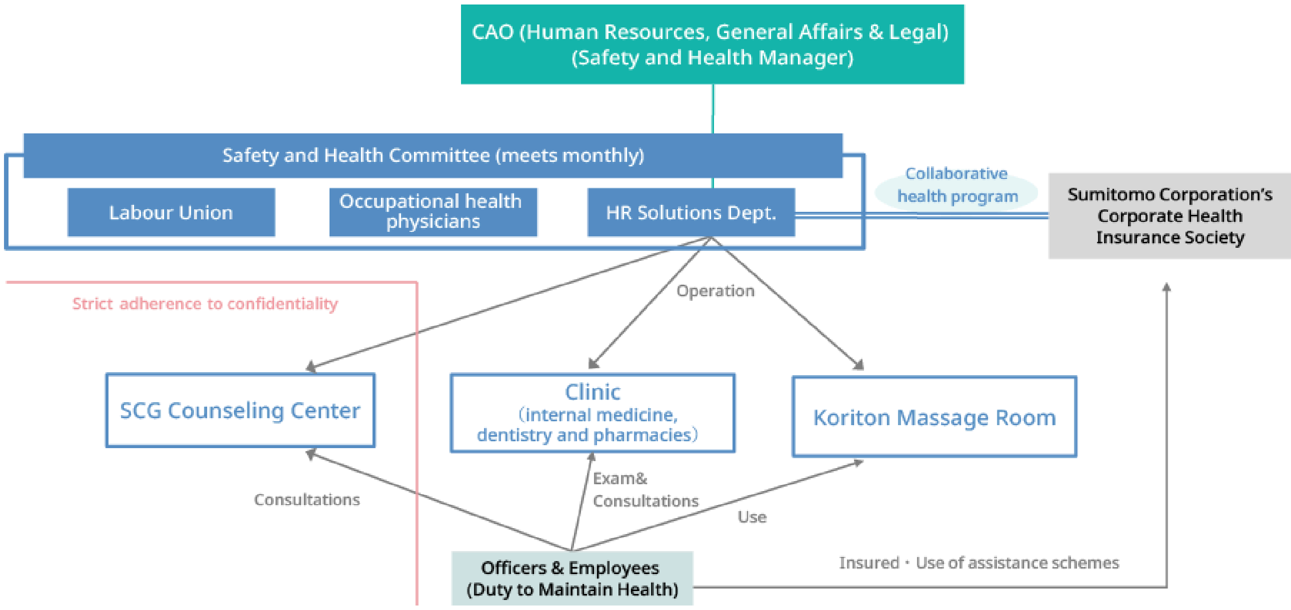


We have been certified by METI as an enterprise with outstanding health and productivity management for nine consecutive years from 2017 to 2025.

System

Health Management Promotion Structure

Health management is carried out through the following structure to maintain and enhance the health of employees under the direction of the CAO (Managing Executive Officer) who serves as the Safety and Health Manager.



Employee Engagement: Health and Safety Committee and Work Style Discussion Meetings

Sumitomo Corporation holds a monthly health and safety committee meeting, which is attended by labor union officials on behalf of employees, to receive reports on worksite patrols by an industrial physician and discuss health promotion for employees and better work environments. A roundtable conference on work styles is also held twice a year by management and the labor union, where participants exchange opinions with a view to improving work styles qualitatively and quantitatively in terms of appropriate working hours for union members.

Supporting Employees’ Health

Support Provided by In-house Clinic (Internal Medicine and Dentistry)

Sumitomo Corporation has established an in-house clinic (for internal medicine and dentistry) to support employees’ health management. The internal medicine department, works on preventive measures for lifestyle diseases such as diabetes and hyperlipidemia, and provide follow-up care for patients with chronic diseases by specialists. Before employees are stationed abroad for overseas assignments, we conduct additional tests in addition to the usual examination items and provide assistance for vaccination according to the medical situation at the destination. We also support appropriate medical care during overseas assignments.

Our dentistry department offers regular dental health checkups and individual dental oral hygiene guidance.

Health Checkups and Follow-ups (Including Health Guidance For Young People)

The in-house clinic provides employees with a regular health checkup service. New employees as well as employees to be transferred overseas and those who have returned to Japan can also undertake health checkups at the clinic. Employees aged 35 and older are encouraged to take a comprehensive medical examination at an external medical institution, for which they can receive financial support from the Health Insurance Society up to a maximum of 80,000 yen.
Based on the results of the regular health checkups, we also offer careful follow-up services such as treatment at the in-house clinic and health guidance provided by public health nurses at the clinic to younger employees (under 35 years old) who are not included in the specific health guidance (participation rate: around 73%). In addition, the Health Insurance Society endeavors to give the specific health guidance to employees to help them with the prevention and early detection of any diseases.

Health Awareness Survey and Health Management Measures

The HR Solutions Department conducts regular health awareness surveys targeting all employees working domestically and abroad, to measure presenteeism*1 and grasping health issues of employees as well as implementing various initiatives for prevention and resolution. The presenteeism rate in the 2024 health awareness survey was 12.6 percent*2.

<Examples of health management measures implemented>

- Measures to improve health literacy and maintain health:
    - Conducting various health seminars from the perspective of disease prevention (drinking habits, sleep, mental health issues, women’s health issues, etc.)
    - Health measures in collaboration with the Health Insurance Society
    - Regular information provided by medical staff at the company's clinic
- Promoting understanding of women's specific health issues: Internal FemTech exhibitions where products can be viewed in person
- Medical checkups at the company's dental clinic: regular dental checkups, dental checkups before overseas assignments, etc.

*1 A state in which an employee is in a position where their performance (ability to perform their duties) is impaired due to physical or mental illness, even though they are still at work.
*2 Complied by SPQ (Single-Item Presenteeism Question by University of Tokyo). Aggregating the survey “Rate your work performance over the past four weeks based on 100% of your work performance when you were not sick or injured (health problems)” and subtracted from 100%.

Mental Healthcare Measures

We provide training on mental health, including self-care education and training for managers. Through these comprehensive programs implemented by inviting external instructors, trainees learn key points about their own mental health and that of those around them. Many employees (including those from Group companies), mainly young employees and managers, take this training each year. We have also set up the “SCG Counseling Center” “for everything, with confidentiality totally protected,” which is used by a total of over 2,500 annually. In addition, we conduct stress checkups, which are extended to employees working overseas as well. The in-house clinic offers counseling services for both physical and mental health, which are also available to expatriate employees. To prevent the progression of mental illness and help employees return to work, the in-house clinic also has a specialist in psychosomatic medicine. In the FY2024 stress checkup, the percentage of those experiencing high levels of stress was approximately 6.2% (2019 national average: 14%).

Supporting the Health of Employees Working Outside Japan

Sumitomo Corporation has more than 900 employees and their family members stationed in 70 countries and regions (as of April 2025). We provide these expatriates working in different environments from Japan with healthcare services to maintain their health, such as support for annual health checkup. Counseling services provided by our in-house clinic and the “SCG Counseling Center” are also available for those with mental and physical disorders.

Measures Against Global Health Issues

Around the world, many countries continue to face serious health challenges—not only from COVID-19, but also from diseases such as HIV(AIDS), tuberculosis, and malaria. Sumitomo Corporation Group is committed to proactively addressing these global health issues.

To ensure that our SC Group employees are equipped with accurate knowledge and preventive measures against infectious diseases, Sumitomo Corporation constantly collect accurate and up-to-date information and provide it to our employees who are assigned to work overseas. In addition, we provide various training programs prior to overseas assignments.

To support employees embarking on their first overseas business trips or those seeking updated information on infectious diseases, we also offer e-learning programs and Safety and Security Seminars. These initiatives aim to foster a strong sense of risk awareness and promote the dissemination of accurate, current knowledge.

Importantly, these programs are not limited to Sumitomo Corporation alone—they are open to employees across our entire domestic and international Sumitomo Corporation Group. Through these efforts, we are committed to supporting the health and safety of our employees living and working abroad.

SCG Counseling Center

Sumitomo Corporation has the SCG Counseling Center within the head office to help Sumitomo Corporation Group employees work energetically. It is staffed with multiple counselors, who work to mitigate employees' concerns and help them solve problems. It was opened in April 2005 as a center where employees could consult about any issue and all the details would be treated in strict confidence. Being widely recognized as such, the center has been used with ease of mind by a range of employees. (The center received more than 2,500 requests for counseling per annum.)

Provider	Service	Target	Function
SCG Counseling Center	Counseling in person	Mainly for employees in Tokyo	Qualified counselors provide counseling to employees in Japan and overseas. Qualifications of the counselors include certified public psychologists, senior industrial counselors, clinical psychologist, career consultants, and family counselor.
	Counseling by phone and on line	All employees	
	Counseling by visiting the employee's site	Employees outside of Tokyo	
	Various seminars	All employees	Implementing seminars for managers, general employees, employees overseas, and employees' families
	Consultation	Management	Consultation for managers regarding how to respond to their subordinates
External contracting company	Counseling in person, by phone, and online	All employees	Contracting external companies to provide counseling in person and by phone

SCG Massage Room "Koriton"

The "Koriton" massage room was opened within the head office in April 2008, with a view to helping Sumitomo Corporation Group employees promote their health and recover from fatigue. This service is highly evaluated by users, because it helps them improve their health condition in their spare time and subsequently increases their work efficiency. Approximately 380 employees use this massage service every month. To ensure that employees can use the facilities with peace of mind, we operate them with attention to hygiene.

Influenza Vaccination

As a part of efforts to prevent infectious disease, influenza vaccinations are offered in the Head Office building, and the Corporate Health Insurance Society reimburses insured employees and their dependents when they receive such vaccinations at outside clinics.

Smoking Cessation Support

Following the relocation of the head office in September 2018, we completely banned smoking on the office floors of the head office building. We also provide support for those who wish to quit smoking, including providing consultation at our clinic and implementing an online smoking cessation support program through the Health Insurance Society. (The smoking rate for all employees in fiscal year 2024 is expected to be 13.5 percent (down 0.7 percent from the previous year).)

Expanding Support Measures for Women's Health

To improve the rate of young female employees undergoing gynecological exams, during Pink Ribbon Month (October) we communicated the importance of early detection and appropriate treatment of breast cancer and cervical cancer, and encouraged people to undergo gynecological checkups. In addition, the cost of the health check can be subsidized by the Health Insurance Society up to a maximum of 10,000 yen each.

We are also strengthening our awareness-raising activities, such as holding seminars and disseminating information on health issues specific to women. Starting in fiscal 2022, we have held a Femtech Day event, which focuses on health issues specific to women, such as menstruation, fertility treatments, pregnancy, postpartum, and menopause, and features exhibitions and seminars showcasing products and services that solve or alleviate these issues. We encourage participation from male employees who work together in order to deepen their understanding.

Advanced Healthcare Expense Coverage Program Introduced

We introduced an advanced healthcare expense coverage program for employees to cover substantial financial burden for treatment of medical conditions not covered by insurance.

Health Results Indicators

Indication	Target	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of Employees Undergoing Health Checkups	100%	100%	100%	100%	100%	99.97%
Stress check Implementation rate	90%	89.9%	90.6%	88.7%	89.3%	91.1%
Smoking rate	10%	-	13.7%	13.3%	14.2%	13.5%
Rate of female employees under 35 years old who undergo gynecological exams	15%	2.9%	19.1%	20.7%	-	37.8%

Expansion of Health Management Seminars

[List] Previous Seminars

Name		Format
December 2021	Sleep is the Best Weapon of Selfcare	Online
February 2022	About the Ovum	Online
July 2022	Eating Habits Improvement Seminar	In person and online
October 2022	Femtech Exhibition	In-house Exhibition
December 2022	How to Deal with Mental Health Problems and “Life Rhythm Theory”	Online
March 2023	The Connection between “Periodontal Disease” and Systemic Disease	Online
March 2023	Mental disorders in Youth and Middle Age ~To survive in society~	Online
August 2023	Smart Drinking Habits for Enjoying Alcohol in Later Life	In person and online
October 2023	Coping Strategies for Men and Women During Menopause	Online
December 2023	The Era of Visible Sleep: Improving Sleep Through Visualization	Online
March 2024	Understanding the Mind and Mental Health	Video Streaming with Live Q&A
March 2024	Femtech Day	In-house Exhibition
February 2025	Correct knowledge about diet and health that a registered dietitian wants to share ~Rethinking health foods~	Online
April 2025	A new keyword for preventing high blood pressure and cardiovascular disease! -Improve your diet by being aware of your Na-K ratio!-	In person and online

Online seminars and video content can be viewed by group company employees and family members, thereby helping improve health literacy widely.

Work Environment

As per our Global HR Management Policy, we aim to build a “Great Place to Work” where diverse individuals continuously and passionately create new value. In this context, we offer a range of work style options so that each individual, with their diverse values and lifestyles, can maximize their performance both at work and in private to enrich their overall quality of life. By cultivating an environment that enables our people to work in a self-disciplined and flexible manner, we promote an output-oriented approach to work to generate high added value.

Support for Balancing Work and Child-rearing

Sumitomo Corporation offers various options that are available to employees regardless of gender with the aim of creating a work environment where diversified employees who have entered the life stage of child-rearing can exert their maximum performance. When an employee files a notice of pregnancy or childbirth for themselves or their spouse, we provide information on the systems for childcare leave and confirm if they want to use those systems through a survey. If they want to use the system, we assist them (men and women) with HR's support as needed, etc., through the process of using childcare leave.

- Support Handbook for Balancing Work and Child-rearing
- Childcare Consulting Services
- Partnering with Childcare Facilities
- Support for Employees Stationed Overseas with Children
- Holding seminars such as Roundtable Discussion on Maternity Leave for Male Employees

External Recognition

Marriage > Maternity > ChildBirth > 1st birthday > 2nd birthday > 3rd birthday > Primary school entry > Primary school graduation

… Available to both male and female

… Available to male

… Available to female

Marriage leave

Maternity protection

Paid leave due to regular check-up or sudden illness / Exempt from overtime and late-night work / Leave and flextime during maternity and child-care periods to reduce commuting burden

Spouse's maternity leave

Also available to attend the delivery

Child-care leave at birth

Up to four weeks within the first eight weeks after childbirth

Child-care leave

Partnerships with nursery

Special working hours during a child-care period

Exempt from overtime until the child goes to primary school

Limited overtime and exempt from late-night work until the chiled goes to primary school

Child-care flextime applicable and shorter hours until the child finishes primary school

Leave to look after a child

Applicability extended until the child finishes primary school

Other childcare-related systems

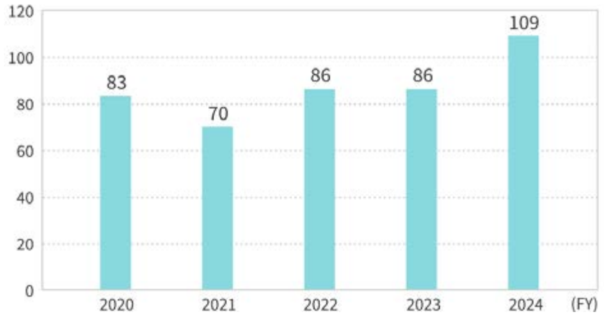
- Support system for employees who are stationed overseas with only their children
- Childcare Consultant Services

Reemployment of workers who quit due to the overseas transfer of their spouse

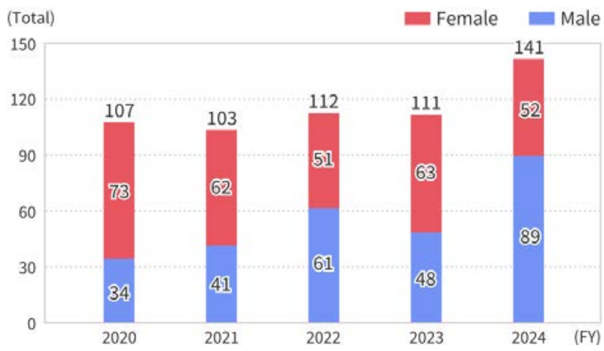
Teleworking system・Super-flextime system

Use of Childcare-related Systems by Employees

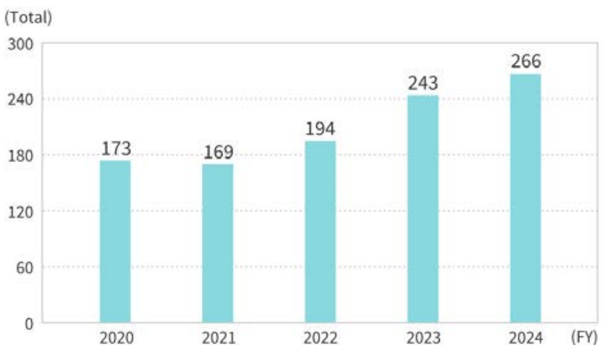
Spouse's Maternity Leave



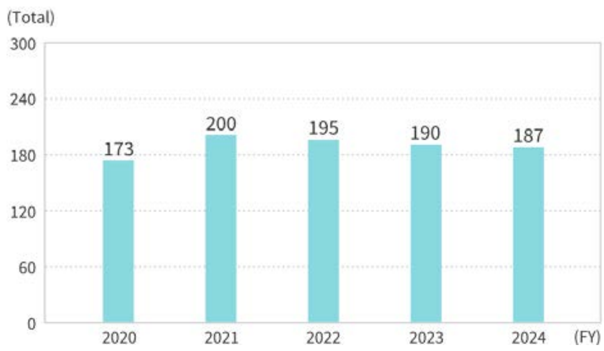
Child-Care Leave



Leave to Look After a Sick Child



Those Who Have Reduced Working Hours



Reemployment of Employees Who Quit due to the Transfer of Their Spouse

We have a system to reemploy, under certain conditions, employees who had to quit their jobs with the company due to the transfer of their spouse, with a view to providing them with an opportunity to once again put their abilities to work for the company.

	2020	2021	2022	2023	2024
Number of applicants for reemployment under the system for those who had to quit due to the transfer of their spouse	4	14	11	16	13

Support for Balancing Work and Long-term Care

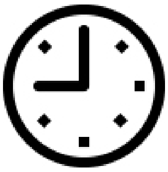
Sumitomo Corporation offers various programs to help its caregiving employees to continue work with a sense of security. Through activities such as e-learning and individual consultation sessions on caregiving, introduction of subsidies for purchase of long-term care services and supplies, and creation of "Handbook for Managing Work-Caregiving Balance," we are working to create a work environment where employees who have entered the life stage of caregiving can maximize their performance.

Consultation on caregiving issues		Seminars on caregiving issues	Sumitomo Corporation employees	Once or twice/year
		Consultation sessions on caregiving issues		Weekdays and saturdays
Caregiving while working		Flex-time work system	When any of the following people needs long-term care: spouse, parent, child, grandparent, sibling, grandchild, or spouse's parent	-----
		Short working hours		Under the flex-time work system, daily work hours can be shortened by a maximum of 120 minutes.
		Exemption of overtime work		-----
		Exemption of late night work		-----
Taking a leave of absence for a certain period of time for caregiving	Short term	A leave of absence for nursing care	When any of the following people needs care: spouse, parent or child	Thirty days for one case as a rule
			When any of the following people needs long-term care: grandparent, sibling, grandchild, or spouse's parent	Five days annually for one person Ten days annually for two or more persons
	Long term	Long-term care leave	When any of the following people needs long-term care: spouse, parent, child, grandparent, sibling, grandchild, or spouse's parent	Three times/person Up to 365 days in total

Organization of various seminars

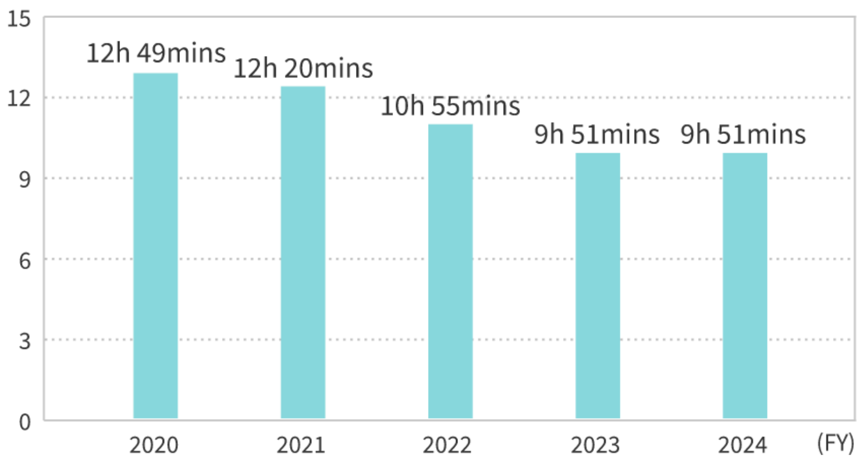
- Seminars on long-term care
  Introduced e-learning to improve literacy of employees and regularly holds seminars such as in-person seminars by experienced caregivers.

Reducing Long Working Hours



Sumitomo Corporation has been fostering the separation of professional and private life, aiming to increase the work efficiency of employees. In this age of diversification and sophistication of businesses, it is not appropriate to manage working hours simply to reduce the hours regardless of the specific business conditions, although longer working hours do not always lead to better business performance. In recognition of this fact, we need to pursue more value-added work styles also from the viewpoint of global competition.

Average Monthly Overtime Hours



Awareness-raising seminars

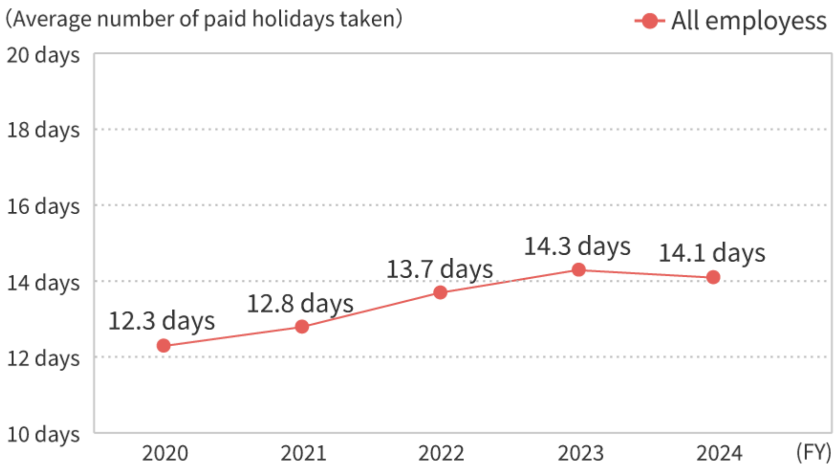
The following is an example of our efforts to raise employees' awareness and to provide them with useful information.

- **Labor Management Seminars**
  We provide training on labor management as a part of the newly appointed manager training and newly appointed team leader training programs. We undertake ongoing educational activities, including holding seminars on labor management and productivity improvement, to raise awareness regarding labor management.

Encouraging Employees to Take More Holidays

Sumitomo Corporation fosters the separation of work and private life to encourage our people to increase their productivity to achieve greater results within a limited time.

Number of Paid Holidays Taken by Employees



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We promote a smart work style with the aim of improving productivity to achieve maximum results in a limited time. Efforts to achieve this goal include the setting of a company-wide target for the number of paid leaves to be taken in a single year through 2016 to 2019. The number of days of paid leave taken has steadily increased, and the targets were achieved. Starting in 2020, rather than setting a company-wide target that applies uniformly to all employees, we adopted a policy of allowing each organization and individual to exercise self-disciplined management.

Fostering Flexible Work Styles

The teleworking and super-flextime systems are designed to provide employees with an environment that enables them to work in a self-disciplined and flexible manner beyond the conventional framework and thereby promote high-value-added, output-oriented work styles. By working in a self-disciplined and flexible manner, employees will proactively make more effective use of time to foster their own mental and physical health and increase their own value, which will lead to the maximization of their performance.

Dress Code Modification

As a part of our efforts to develop flexible work environments that promote the self-disciplined work approaches among employees, we focused on the “location” and the “time” of work and introduced the teleworking system and the Super flexible work hours system in 2018. To build on these systems, in 2020, we modified the dress code to further promote mindset shifts in the individual and the organization as well as self-disciplined work styles. After reviewing current rules on attire, we eliminated dress codes as long as it is within the scope of common sense and appropriate for work and the workplace based on TPO.

Teleworking system

In 2018, we adopted a teleworking system, with workers able to work at home up to a certain number of days. When traveling or working outside the office, employees can telework from hundreds of contracted satellite offices nationwide, and expanded flexibility around work location. In principle, there are no restrictions on the use, and employees with different circumstances, such as providing childcare and long-term care are provided an opportunity to work proactively and flexibly. Since 2021, we have been encouraging the best-mix of work style that allows employees to combine in a self-disciplined manner in-office and remote work in a well-balanced manner to maximize the performance of the organization. The average in-office attendance rate in FY2024 was approximately 70%.

In recognition of these efforts to promote teleworking, we received the Excellence Award of the FY2020 Telework Promotion Award (Kagayaku Telework Award) presented by the Minister of Health, Labour and Welfare. Please refer to the following link for more information.

- Sumitomo Corporation won the Excellence Award of the FY2020 Telework Promotion Company Award (Kagayaku Telework Award) presented by the MHLW (Japanese only)

Super Flexible Work Hours System

In 2018, we abolished the flexible “work hours system”, under which employees were required to be present during the fixed core hours from 11:00 to 15:00, and newly adopted the “super flexible work hours system.” The new system has no core hours. Employees can start and end their work at any time during the flexible time band from 5:00-22:00. This system allows employees to design and manage their own work style, leading to further improvement of both the organization’s and the individual’s performance.

Harassment-Free Workplaces

Sumitomo Corporation regards all issues related to harassment, including sexual harassment, abuse of power, and discrimination against pregnant women and minorities including LGBTQ+ individuals, as serious infringements of human rights and deals with these issues sincerely and strictly.

Specifically, we have implemented the following measures:

1. We have clearly stated in the work rules that any form of harassment will be subject to disciplinary action.
2. We have clearly prohibited any form of harassment in the compliance manual.
3. We have raised awareness among all directors and employees about the company's strict stance on harassment by launching a website and providing level-specific training on the topics. Since 2014, the company has also been holding training sessions to help all managers deepen their understanding of sexual harassment and abuse of power.
4. To prevent any harassment and respond appropriately in the event of any incident, we have established a contact point for employees to make complaints about harassment within the departments supervised by the Chief Administration Officer and Chief Compliance Officer (COO).
5. Using the Speak-up System, we have also established a system for individuals to report harassment directly to the COO.

Engagement

Engagement Survey

Sumitomo Corporation conducts an annual Engagement Survey for all of its employees to assess (1) their level of commitment to the organization, their engagement indicating their willingness to take initiative in their work, and (2) whether their work environment enables them to maximize their performance. The results of the survey are affected by not only the area of HR management but also by various factors such as business strategy, organizational structure, and work procedures. By carefully interpreting them, we are promoting various measures at company-wide level and at each workplace.
From FY2023, the survey is conducted for all employees worldwide, including locally hired employees in domestic and overseas offices, and "Employee Engagement" has been added as one of the evaluation indicators for stock based remuneration in the executive remuneration. We have set a target of maintaining or improving the score from the previous year, and evaluate whether this target has been achieved.

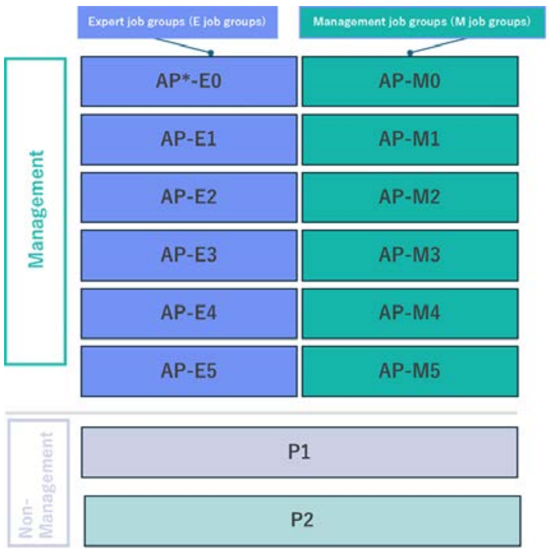
Total Rewards

In the previous medium-term management plan, we focused on strengthening the foundation of our HR systems as part of a shift in our management infrastructure. By eliminating various institutional constraints—“barriers” that had existed in the past—we are laying the groundwork to break away from talent management practices that tend to be influenced by biases based on personal attributes. This enables us to promote true “the right talent in the right position” without regard to such attributes.
In addition to financial rewards, we provide non-financial incentives such as career development opportunities and a sense of purpose at work through fair and transparent processes. This approach helps to enhance employee motivation and supports self-directed career development.

HR System

Introduction of the Job Grading System

We have terminated seniority-based system for managers and introduced a job grading system that determines grades according to scope of responsibilities. This enables us to maximize organizational performance by optimally allocating the best talent with an emphasis on expertise and skills.
We pursue talent revitalization in all generations, from recent university graduates to veteran employees, through job-based HR management.
Furthermore, we are shifting 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.



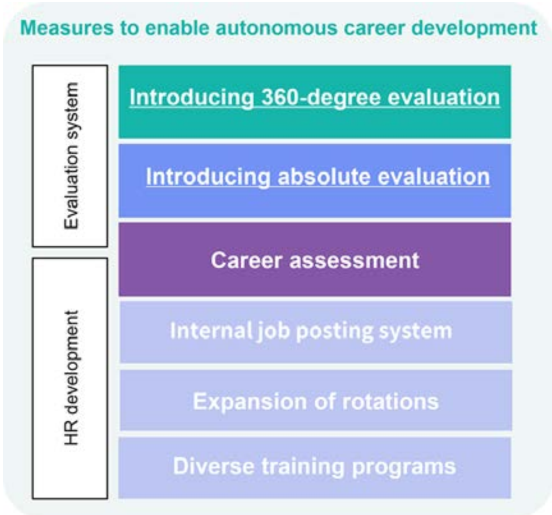
* AP: Advanced Professional
* P1: Professional 1, P2: Professional 2

Optimal Allocation Under HR System

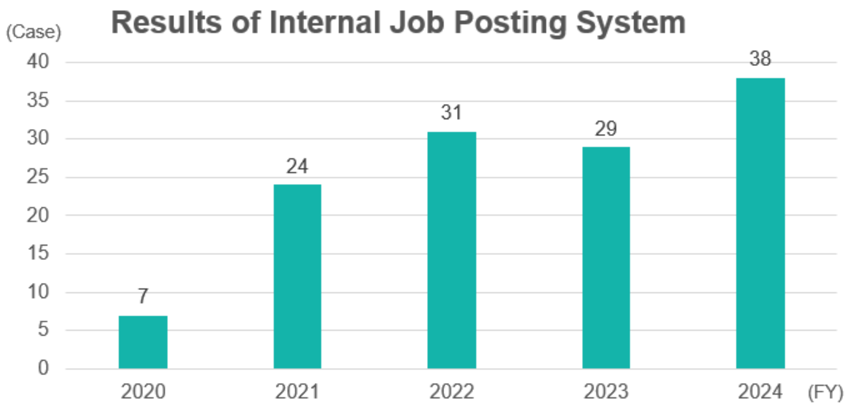
Under our HR system, we conduct talent allocation after thorough alignment with the company's expectations and the individual's career aspirations. As an integrated trading company, continuous development of talent who possess a variety of knowledge and expertise is essential for the sustainable creation of value tailored to the social issues of the times, and we will continue assignment rotations to expand this talent pool. Rather than enforcing uniform assignment rotations, we place greater emphasis on the individual's career aspirations and the deepening of expertise. In some cases, employees remain engaged in a specific field over an extended period to further develop their specialization.

Self-directed Career Development

By introducing "360-degree evaluation" and "absolute evaluation," we will improve fairness in our evaluations and draw out our talent's potential by paying earnest and full attention to them as individuals. Additionally, through career assessment and an internal job posting system, we will enhance our reviews on each of the individuals' career philosophy, experience, aptitude and challenges to optimize how we match training needs with business needs.
Furthermore, we will support the self-directed 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 talent development program.



Internal Job Posting System



As part of our Medium-Term Management Plan 2026, we have positioned the "Empowerment of People and Organizations" as a key initiative toward becoming "No.1 in Each Field". In line with this, we revised our internal job posting system starting in fiscal year 2025.

Instead of limiting postings to once a year, the system now enables opportunities to be posted and applied for at any time, allowing both individuals and organizations to utilize the system more flexibly. This revision enables employees to more actively pursue self-directed career development, encourages fair and transparent opportunities for challenge and competition, and fosters the creation of new value through enhanced diversity—all of which are being increasingly put into practice across the organization.

LinkedIn Learning

To support each employee's self-directed growth and career development, we launched LinkedIn Learning company-wide in April 2024. This initiative is designed to unlock the potential of our talent and empower them to take ownership of their growth and career development by offering equal opportunities for career development opportunities and enabling all employees to learn what they need, anytime, anywhere, regardless of location. Whether stationed domestically or abroad, employees benefit from the unique advantages of online learning, accessing the same content globally.

In addition to LinkedIn's contents, we have offered approximately 20 original courses, with plans to expand further. Within just 2 months of implementation, the activation rate*1 reached 76%, and the monthly login rate*2 exceeded the average of the top 25% tier of companies in Japan that have adopted LinkedIn Learning company-wide. As of March 2025, the total viewing time across the company reached nearly 41,200 hours.

*1 Activation rate: The percentage of all employees in the organization who have activated their accounts
*2 Login rate: The percentage of unique users who have logged into their LinkedIn Learning accounts among those who have activated them

Looking ahead, we will continue to promote skill development by organizing essential courses into learning paths. These will include foundational knowledge in DX and IT—critical for driving digital transformation—as well as leadership and management courses to enhance line manager's capabilities in people management.

0→1 Next

“0→1 Next” (Zero One Next) is an in-house entrepreneurship program launched in FY2018 with the name of “ 0→1 Challenge“, and then its design has been partially updated in FY2024. All Sumitomo Corporation Group employees worldwide regardless of affiliation or title are eligible to participate. Its aim is to enable individuals in each workplace to realize new business ideas. The concept of the challenge is to create businesses from zero (ideas never seen before) to one (creating next-generation businesses). In addition to creating new businesses, the program serves for enhancing business engineering power and leadership through challenge. Driven by their enthusiasm and intrinsic motivation to "absolutely make their ideas a reality," challengers go beyond the boundaries of their own organizations, and proactively interact and collaborate with people and organizations both inside and outside the company to refine their business concepts. The visions and aspirations of those challengers have resonated widely within the company and led to a culture of taking on challenges. Over 1,000 applications were received over the seven years from FY2018 to FY2024. As of the end of FY2024, 15 ideas, including ones that passed the selection process in previous years, are in the process of achieving commercialization. Program participants are working passionately to bring to realize new ideas that Sumitomo Corporation Group have not embarked yet and that respond to new trends in our society. Even after the challenge is over, previous challengers play active roles in their organization, and colleagues around who witness the participants' challenges also become inspired. This program energizes the organization and leads to new initiatives in existing businesses and increased interaction with others internally and externally.

External Side Job System

We actively approve external side jobs as a means of developing top-tier professionals and enhancing corporate value. These opportunities are expected to promote self-directed development and enable employees to gain diverse experiences, insights, and networks that are difficult to obtain through their primary roles alone.

Evaluation System

Absolute evaluation / 360-degree feedback

As part of our ongoing talent management reform, we are introducing various initiatives with a key focus on strengthening people management capabilities that enable sincere engagement with individuals. We have introduced an absolute evaluation system that focuses on the individual. Instead of comparing specific actions, progress, and outcomes against those of others, the evaluation is based on the degree to which the individual has achieved their assignments and related objectives. We have also adopted a 360-degree feedback system as a mechanism to enhance the objectivity and validity of the absolute evaluation, and to engage sincerely with individuals to unlock their potential. 360-degree feedback is currently applied to managers and above. By soliciting a wide range of comments from colleagues who work closely with the individual, supervisors can base their final evaluations on this feedback. In this way, we aim to obtain valuable insights into how others perceive the individual, which enhances the people management skills of supervisors and enables them to engage more sincerely with their subordinates. It also provides subordinates with opportunities to gain deeper insights as well.

In addition, an annual career assessment interview is conducted between supervisors and subordinates to help reflect on and align the subordinates' career views with their supervisors on those views. In these interviews, we review the individual's career goals, experience, aptitude, and challenges from a medium to long-term perspective as we align company expectations for work and personal development needs with the individual's own aspirations. This also aims to facilitate communication and help individuals recognize that these interviews provide opportunities for supervisors and subordinates to comprehensively address career plans and challenges that need to be overcome. We are expanding our training programs to enhance communication skills and provide practical guidance on effectively engaging with subordinates.

Through these evaluation systems and career assessments, and one-on-one meetings, we aim to support individual development and facilitate varied career paths. Furthermore, by combining talent development measures, such as the internal job posting system and planned rotations, we support self-directed growth and diverse career development for each individual. Our objective is to continuously develop top-tier professionals.

Organizational Evaluation

To foster a mindset shift toward growth and accelerate the realization of sustainable growth, we have introduced an organizational evaluation system. This system comprehensively assesses each strategic unit (such as SBUs) from both quantitative and qualitative perspectives, not only on short-term growth but also on the long-term enhancement of corporate value. Evaluation results are reflected in compensation, encouraging the sharing of best practices and the continuous improvement of the PDCA cycle across the organization.

Investment Performance-linked Compensation

We have adopted “a system of compensation linked to investment performance” as part of our initiatives to rigorously select investment projects and enhance post-investment value-creation. This system reflects the performance of new investment projects in remuneration, aiming to improve the success rate of new large-scale investments, and foster the sense of ownership among those responsible for executing them.

Labor Union

Labor Union

Based on the collective agreement with the Sumitomo Corporation Labor Union, Sumitomo Corporation provides its employees with explanations of management policy and business status, as well as opportunities to discuss wages, labor conditions, personnel affairs, safety and health, and employee benefits on a regular basis. The agreement defines that the company must maintain and improve employment conditions and ensure stable lives for employees, and the labor union must keep order and discipline at work and make an effort to increase labor efficiency, and both parties must cooperate with each other in developing the company's business. To achieve this objective, we make every effort to have serious and sufficient discussions on each specific project, while ensuring mutual understanding and trust. In addition to matters for collective bargaining and negotiations on an official level, we hold various meetings to discuss on a wide range of issues with sincerity. They include informal meetings with the president, round-table discussions on business performance, medium-term management plan and related issues, Human Capital Strategy and personnel systems, work styles and rewarding work, informal meetings with Business Leaders, discussions on overseas affairs. We also hold seminars organized jointly with the labor union. As the number of Mid-career hires increases, both the company and the labor union are engaged in networking initiatives. Sumitomo Corporation adopts a union shop system in which all employees participate, excluding executives above a certain level and employees classified as non-union members based on an individual agreement considering the nature of their jobs. As of March 2025, the number of members of the Sumitomo Corporation Labor Union is 3,242, accounting for 66.4% of all employees of Sumitomo Corporation (non-consolidated basis).

Stories of Our People

Our group's human capital is our most critical management capital. Through interviews, we will introduce you to our talents who are active in various business fields and regions, as well as the diverse ways in which they build their careers.

Stories of Our People

Health & Safety

Basic Policies

The Sumitomo Corporation Group offers a safe, hygienic and healthy working environment for its employees. The Group positions physical and mental health management as the foundation of work-life management, and encourages employees to work efficiently to create sufficient time for their private lives. The aim is to promote a work style that allows employees to maintain and enhance their health while being highly productive.

“To achieve prosperity and realize dreams through sound business activities” is a management principle upheld by Sumitomo Corporation. The Company believes that its corporate mission is to deliver financial and emotional enrichment to people around the world including its employees, shareholders, business partners and local community members, and realize their dreams. Maintaining and enhancing employee health is one of the most critical factors that underpin this pursuit. Sumitomo Corporation will continue with its diverse health management initiatives.

In recognition of these initiatives, Sumitomo Corporation has been certified, for nine consecutive years from 2017 to 2025, as an Excellent Enterprise of Health and Productivity Management by METI (Ministry of Economy, Trade and Industry) for its superior management practices that focus on promoting employee health.

Occupational Health and Safety

We created a common sense of value for safety and established a safety management system for all the members of our SC Group in 2023. Moreover we will continue to make an effort to prevent occupational accidents at the site of our group companies, and have conducted the below activities.

- Held cross-organizational occupational safety liaison meetings and developed our own occupational accident management computer system whose name is GENSAI to share case studies of workplace accidents and best practices for improvement within the Group
- The Disaster Response & Safety Management Department provided first-response support for occupational accidents that occurred within the Group
- Disaster Response & Safety Management Department members visited our material subsidiaries in Japan and overseas to conduct safety seminars and site inspections

Safety seminar and On-Site tour for work safety improvement

Crisis Management System

In order to prepare for the incidents, accidents, and disasters that could occur anywhere in the world, each employee all over the world always needs to be aware of risks and appropriate safety measures. At the same time, each organization also needs to develop an infrastructure for safety measures to prepare for emergency. In addition, in the event of an emergency, immediate report of the incident is crucial to provide a support and promptly resume business operations.
We have therefore centralized reporting of all domestic and international emergency cases to the Disaster Response and Safety Management Dept. and ensure prompt reporting to the president and established companywide structure in order to promptly provide necessary supporting activities by appointing the head of Human Resources, General Affairs & Legal Group as General Manager of Crisis Management Team. When a major natural disaster occurs, we will react promptly based on our fundamental policy, which is to prioritize (1) employees' safety, (2) mutual assistance, and (3) prompt recovery of business operations. We have created manuals to inform all officers and employees of this policy.
We have been improving the effectiveness of the business continuity plans (BCPs) of each organization by implementing a crisis management program from FY2021. This activity includes not only formulating plans but also conducting exercises, reviews, and then making improvements through PDCA cycle. Furthermore, in January 2022, we established a dedicated team within the Disaster Response and Safety Management Dept. to strengthen the work safety systems of group companies and support emergency responses and recurrence prevention measures in the event of a work-related accident. We also gather safety management-related information, gain experience, and share best practices within the entire Group.

Measures Against Global Health Problems

Currently, many countries around the world are struggling with serious health issues, including HIV (AIDS), tuberculosis and malaria. The Sumitomo Corporation Group is determined to take active measures against these global health problems.

To ensure that our Sumitomo Corporation Group employees are equipped with accurate knowledge and preventive measures against infectious diseases, Sumitomo Corporation constantly collect accurate and up-to-date information and provide it to our employees who are assigned to work overseas. We also provide a variety of training before their assignments.

Moreover, we started organizing e-learning and seminars on safety measures in FY2017 in response to requests by employees about to go on their first overseas business trip as well as those looking for the latest information on infectious diseases. These programs aim to enhance awareness of crisis management and disseminate accurate and up-to-date information. We make these programs available to officers and employees not only of Sumitomo Corporation but also of the entire Group within and outside Japan.

Through these activities, we support employees' health and safety while they are overseas.

Reporting of Work-related Accidents

If an accident occurs, it must be immediately reported to the Disaster Response & Safety Management Dept. The numbers of occupational accidents reported in Sumitomo Corporation's employees last 5 years are as follows:

Number of work-related accidents

FY2020	FY2021	FY2022	FY2023	FY2024
2 cases	2 cases	2 cases	5 cases	2 cases

We have been holding the Work Safety information Committee that consists of persons in charge of internal control in each sales division. We share the occurrence situation of SC group's occupational accident cases, and preventive countermeasures as the best practice.

Against fatal or very serious occupational accidents, our Disaster Response & Safety Management Dept. makes an immediate report to the president and authorized members. They also share the information that includes root cause analysis and temporary counter measures.

Education on Crisis Management

Sumitomo Corporation offers a variety of training programs and seminars in order to foster crisis awareness and to equip each employee with necessary knowledge.
As a countermeasure against natural disasters, the Tokyo Head Office has systems in place for establishing the Crisis Management Team. Each year that team conducts tabletop exercises and emergency response exercises at each floor of the Headquarters in anticipation of an earthquake under the Tokyo Metropolitan area. At the same time, we also developed impact based BCPs for the Group that can be used to respond to multiple disasters, including not just earthquakes, but also typhoons, floods, and pandemics, etc., and encourage each organization to conduct exercises as well.
As safety measures for Group employees working or travelling abroad, we have prepared safety manuals and provide information to increase awareness about safe behavior at each location. We also provide various e-learning and practical training programs with levels from beginner to advanced, depending on the experience of each employee. Further, we have built systems to provide prompt and effective supports by cooperating with regional offices in case of emergency there. We have also established systems together with overseas offices to obtain real-time information on every risk (conflicts, terrorism, riots, casualty, and natural disasters, etc.) occurring in the world, and share the information with relevant parties.

PT FUMAKILLA INDONESIA

Under the slogan "protecting people's lives," Fumakilla Indonesia has been working for over 30 years in the Indonesian market, where protection of people from Dengue fever, malaria and other infections is a daily concern. It has made steady efforts in spreading its high-quality mosquito repellent coils to every corner of the region. As a result, it now has the largest share in the Indonesian market and contributes to addressing local social issues. In terms of social contribution, not only the product performance but also the marketing method applied there (The business model is delivering the products not only in the urban area but also in the rural area through warungs and grosirs that are part of the traditional General Trade channel in Indonesia.) are significant. With completion of a new research lab with the latest equipment in FY2021, the company now also has a new product development system in place for pursuing greater efficacy and safety. Since its foundation in 1991, we have been continuing our investment (current share of 20%). Our employees assigned there also support the local operation of Fumakilla.

Mosquito repellent coil of Fumakilla

Steel Group's Commitment to Safety

The Steel Group works globally across various industries, continuously engages in safety activities. We set “safety” as top priority above all in each business to protect the lives and safety of employees and all stakeholders.

One of remarkable examples is the global zero-accident initiative in the Steel Service Centers (SSCs, steel sheet processing and sales network) in steel sheet businesses. Another is the global HSSE (Health, Safety, Security, and Environment) management in steel pipe businesses (supply chain management, wholesaling, and processing) that target to zero-accidents, including security and hygiene, and go beyond.

SSCs supply services to various industries, including automotive, electrical, electronics, and building materials, and run in more than ten countries, including Japan. Due to the varying degrees of risk associated with various products and labor conditions, the group not only sets up common safety standards but also supports tailored safety initiatives based on the specific circumstances of each country and company. These activities are led by the Safety TQM Team at Sumitomo Corporation Global Metals Co., Ltd. This team implements and promotes TQM (Total Quality Management) across SSCs, linking company safety goals with individual performance targets to enhance safety awareness and the effectiveness of safety activities. The team also conducts safety inspections, setting up a safety checklist with over 150 items, verifying self-diagnosis results from companies through site visits, and following up on items that are not adequately addressed.

In the steel pipe business, which primarily serves oil and gas companies, the slogan “Beyond Zero Harm” is adopted to normalize a state of zero accidents and embed HSSE as part of the organizational culture. To implement this, HSSE experts are stationed at key overseas locations to accumulate and analyze data on labor accidents and incidents, and audits are conducted, including for transport and processing contractors. The “TRIP RULES (Tubular Rules for Incident Prevention)” have been compiled to ensure safety in handling steel pipes and distributed worldwide in booklet form. Efforts are also made to set up a safe and secure working environment, including the development of a global information-sharing IT system and e-learning education programs.

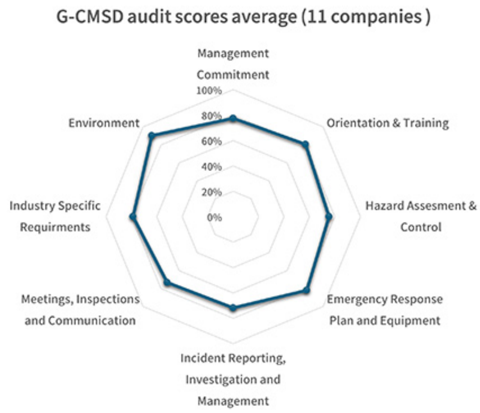
TRIP RULES booklet title page

Moving forward, the Steel Group will continue to strive for “zero accidents” across all businesses, including steel sheets (SSCs), steel pipes, heavy plates, special steels, railway equipment and automotive parts, as well as initiatives within Steel GX, fulfilling its social mission to create a better working environment.

“G-CMSG HSE Initiatives” Aiming to achieve Zero Serious Incidents by combining the expertise of the Global Construction and Mining Systems Group

The Global Construction & Mining Systems Group (G-CMSG) established the HSE Promotion Office in 2018. By making full use of its global human resources, the HSE Promotion Office started implementing Health, Safety & Environment (HSE) activities with the aim of eliminating serious industrial incidents and improving HSE activities at all G-CMSG companies.
The office formulated a vision and HSE standards, publishes a monthly Safety News report, issues Safety Alerts to share examples of incidents, and has conducted safety inspections (gap analysis) of the Group companies. From FY2022, the office started conducting safety audits which are more detailed and comprehensive than the gap analysis and has audited eleven companies by the end of FY2024, with plans to audit remaining one company in FY2025. As part of safety education, it also conducts safety training for new Construction & Mining Systems SBU members and all employees who are dispatched overseas from Japan. To facilitate communications within the Group, the office has been organizing further activities such as creating a portal in March 2021 and the introduction of Safety Awards, which awarded the three companies that achieved zero accidents in 2023 at a global meeting held in September 2024, in order to increase the group companies’ motivation for safety.

Safety Alerts are used to share information about findings and corrective actions of incidents.



Safety Audits are conducted at the group companies. Best practices identified during the audits are shared with other Group companies for their further improvement.

Visiting a Group company for a safety audit

Safety Measures in Uranium Mining

Our Group's development of uranium mines, production and sales of uranium concentrates*1, and trading of various kinds of nuclear fuels containing radioactive materials comply with each country's laws and regulations based on the IAEA (International Atomic Energy Agency) standards. With our highest priority on HSSE (Health, Safety, Security and Environment), we place the utmost importance in ensuring the safety of onsite employees and local residents. Specific measures taken in production and sales of uranium concentrates include the measurement of radiation exposure of all those entering and leaving the plant, and the management and monitoring of cumulative radiation doses in employees*2. Furthermore, the uranium concentrates and various kinds of nuclear fuels we deal in are all used for peaceful purposes such as power generation. Our relevant activities comply with security trade control-related laws and regulations, and we also constantly reviewing and improving management system for safety and quality in order to meet even higher standards.

*1 Products manufactured in the said business are natural uranium concentrates, and waste materials produced in mines and refining plants are limited to a small amount of low-level (naturally occurring) radioactive waste derived from the refining process. Such waste materials are appropriately treated in accordance with IAEA standards and Kazakhstan's laws. Furthermore, no high-level radioactive waste or medium-level radioactive waste has been produced in the business for the two years from FY2023-FY2024 In addition, a management structure for ensuring safety and quality has been put in place.

*2 We have established an internal standard for the maximum permissible exposure of workers that is stricter than the laws and regulations of Kazakhstan, where we conduct the business, and we are compliant with such standard. Further, no external radiation leaks have occurred in the two years from FY2023-FY2024.

OHSAS18001, ISO45001-certified Facilities

As of December 2020, 4 of 372, or 1.1% of Sumitomo Corporation consolidated companies, had been certified to OHSAS18001 Certification.
As for ISO45001, which was issued in March 2018 and is recommended for transition, we have confirmed that the following five companies have obtained ISO 45001 as of September 2025.

- KIRIU CORPORATION
- FUJIWA MACHINERY INDUSTRY (HUBEI) CO., LTD.
- FUJIWA MACHINERY INDUSTRY (KUNSHAN) CO.,LTD
- Aver Asia (S) Pte. Ltd.
- SummitD&V Kft

Social Responsibility

Policy and Concept

Basic concept of responsibility for customers

The Sumitomo Corporation Group operates TV shopping, food supermarket, and other businesses that handle consumer products and services, but will not handle products that seriously negatively impact society and run counter to corporate social responsibility, including: any product that has not been confirmed as safe and therefore is socially questionable; any product that may impair human rights, dignity or reputation; any product that defames or disparages another company; and any product that infringes on intellectual property, including patents, utility model rights, design rights, trademarks and copyrights, or other rights of third parties. We also comply with laws and regulations on product and service safety and quality standards. If any product or service we provide has a quality problem, we will take prompt actions to prevent related damage from spreading, and make efforts to investigate the cause of the problem and prevent a recurrence.

Responsible advertising and marketing

In lifestyle, retail, and other business areas that deliver products directly to consumers, we are fully aware of the significance of the impact that advertising expressions have on consumers. Placing first priority on safety and security, we carry out advertising and marketing activities with due consideration of our social responsibilities. Taking into account the position of consumers and using factual expressions in principle, we will not use misleading expressions describing the characteristics or quality of our products and services.

Creating local employment

The Sumitomo Corporation Group operates large-scale resource development, infrastructure development, manufacturing, processing and sales businesses in countries around the world, and therefore the impact of its business activities on the economies and lifestyles of these countries and regions is significant. Recognizing that we have a responsibility to pay attention to the history of the country or region and care about local residents as we carry out our business activities, we contribute to the development of local communities not only by creating and promoting local employment but also by working on skills advancement for sustainable development, support for self-reliance, and protection of the local culture and the environment.

Targets

Aiming to make life more enjoyable by addressing social issues from the consumers' perstpective, the Sumitomo Corporation Group places the highest priority on food safety and health, and provides stable access to high-quality nutritional sources through its business. We also aim to develop and provide value-added specialty products and services that meet diverse needs, including health- and nutrition-conscious products and services, as well as environmental and sustainability needs.

Policies for Specific Commodities

The Sumitomo Corporation Lifestyle Group operates across a broad value chain related to food, from the procurement of raw materials to the delivery of products and services to consumers. In addition to contributing to food safety and security, we also address nutritional issues by offering food products with superior functionality. We recognize various associated issues and implement initiatives to prevent food-related hazards from occurring and reduce their negative impact.

Food Safety Management System

Food Safety Management Policy

The Sumitomo Corporation Lifestyle Group prioritizes food safety and security. Through food safety management activities such as product management (raw materials, additives, labeling), supplier management (quality control, process management), collection of food safety information, and employee training, we comply with food-related laws and regulations. We strive to prevent the occurrence of food-related hazards and provide safe and secure food, processed food, and fresh food.

Food Safety Management at Summit

Key Issues and Response Policies

At Summit, we have developed a broad value chain that delivers products and services to consumers. In addition to contributing to food safety and security, we also address nutritional issues by offering highly functional food products. We recognize various associated issues (see examples below) and implement initiatives to prevent them from occurring and mitigate their impact.

Key Issues	Main Themes	Management Approach and Awareness
Reducing negative impact of food products on customers	Safety Management of Processed and Fresh Foods	Safety Management using a "Store Hygiene Management Plan" based on the HACCP concept Conducting suppliers' factory inspections
Responsible advertising, marketing, and promotion of food products	Provision of Information on Food Allergies and Food Additives	Thorough display management through the raw material registration system. Improvement of verification skills related to food labeling.
Responsible advertising, marketing, and promotion of alcoholic beverages	Providing information on preventing drinking by persons under 20 years of age and pregnant women	In-house training programs regarding Liquor Tax Law, etc.
Access to better nutrition	Labeling of nutritional information for in-store processed products	Providing information to help customers choose the foods they want

Food safety and reliability

At Summit, we set and manage our own standards to ensure that we deliver products that our customers can enjoy with peace of mind.

Process	Food safety
Distribution Management	• Distribution center facility management • Storage and transportation by temperature zone – frozen, chilled, and fixed temperature
Store management	• Education on hygiene management at stores • Implementation of hygiene management in accordance with HACCP

Food Safety Management at Food SBU and SC Foods

The Food SBU and SC Foods established a food safety management team in 2003 and have been actively working on food safety management.

Issues and Response Policies

The Food SBU and SC Foods consistently contribute to "food safety and security" from the procurement of raw materials to the delivery of products and services. We recognize various issue involved (see below) and implement initiatives to prevent food-related hazards from occurring and reduce their negative impact.

Key Issues	Main Themes	Management Approach and Awareness
Ensuring Food Safety and Hygiene	Safety Management of Imported Foods, Processed Foods, and Fresh Foods (Origin, Manufacturing Process, Factory, Raw Materials, Food Additives, Foreign Substances, Residual Pesticides, Genetically Modified Foods, etc.)	Food safety management of imported foods, processed foods, and fresh foods in accordance with food safety management regulations by food safety personnel. Supplier management (quality control system surveys, factory inspections, etc.). Product management (product information management through product cards). Education and awareness for members.
Responsible Marketing in Food	Provision and Display of Accurate Information on Raw Materials, Food Additives, Origin, and Food Allergies for Imported Foods, Processed Foods, and Fresh Foods	Accurate display and provision of product information (raw materials, food additives, origin, food allergies, etc.) through checks by food safety personnel and product card management.

Food safety and reliability

The Food SBU and SC Foods Co., Ltd., are working to provide accurate and easy-to-understand food labeling and information in compliance with laws and regulations by checking product information such as ingredients, food additives, allergens related to food allergies, and country of origin by the food safety management staff.

Process	Food safety
Ingredient Management	• We manage imported and processed food products (raw materials, food additives, manufacturing processes, production sites, product standards, labeling, analytical information, etc.) through a product medical record system after food safety officers examine compliance with laws, regulations, and standards.
Manufacturing and Quality Control	• We confirm compliance with legal and contractual standards through various inspection results, in addition to inspections of supplier factories for imported and processed foods. • Inspection items are selected according to product characteristics. (pesticide residue test, microbiological test, physical and chemical test, sensory test) • Inspection frequency is set individually depending on product characteristics and product handling conditions.

Quality Management System

With the diversification of dietary habits, the globalization of food distribution, and a growing awareness regarding health issues, consumers are increasingly paying attention to the safety and quality of their food. On the other hand, there have been cases of incidents and problems threatening food safety, such as those regarding violation of food labeling standards, residual pesticides, and the distribution of foods using unauthorized additives.
In response to these issues, the Food SBU and SC Foods Co., Ltd. have established a quality management system centered on food safety personnel (Food SBU Food Safety Personnel and SC Foods Food Safety Management Department) to prioritize food safety.

The Food SBU and SC Foods implement the following initiatives regarding food safety management:

- Employee education and awareness activities regarding food safety
- Management of food safety, food labeling, etc.
- Checking of food safety management status of group companies and suppliers and inspection of factories
- Sustainability-related measurements in the supply chain

Supplier Management System

Due Diligence for New Suppliers

When initiating business with a new supplier, the Food SBU and SC Foods conduct due diligence in accordance with our Food Safety Management Regulations. A team responsible for food safety (Lifestyle Group food safety staff and SC Foods Food Safety Management Department) judges the necessity of factory inspections after confirming the supplier's quality management system, manufacturing process, transaction status, food safety standard certification status, and sustainability compliance status, etc., using a preliminary quality management survey.

Securing the Safety of Food through Regular Audits of Suppliers

In accordance with food safety management regulations, in addition to initiating new transactions with suppliers, factory inspections deemed necessary by food safety personnel are conducted based on the management system of quality and manufacturing processes, product risk characteristics, and product handling status. These inspections are carried out by food safety personnel at a frequency of once every five years.

Factory inspections

The procedures and results regarding factory inspections are as follows.

Process	Description
Factory Inspection Targets	The Food SBU and SC Foods Co., Ltd. conduct preliminary surveys of supplier factories of imported and processed food products in accordance with the Food Safety Management Regulations (Contractor Management Manual and Purchasing Management Manual) to determine their management systems and food safety certification status. In addition, we conduct factory inspections on the factories that the food safety manager determines to be necessary, taking into consideration the risk characteristics and handling conditions of the products, using the factory inspection sheet.
Frequency of Factory Inspections	Inspections are conducted at the start of transactions and once every five years in principle. (Inspections are conducted each time the food safety officer deems it necessary)

	FY2022	FY2023	FY2024
Factory inspections results (Number of factories)	19 factories	15 factories	17 factories

Certifications

Group companies within the Food SBU have obtained food safety standard certifications in accordance with HACCP-based food safety management. They have established and are operating food safety management systems.

Group companies that have acquired food safety standard certifications that comply with HACCP, such as SQF, FSSC22000, ISO22000, and JFS.

- SQF certification acquired: Juice Products New Zealand Limited
- FSSC22000 certification acquired: WELLNEO SUGAR Co., Ltd.,
- ISO22000 certification acquired: SC Foods Co., Ltd. Kawasaki Shiohama Processing Center
- JFS-B certification acquired: Summit Oil Mill Co., Ltd., Shinko Sugar Mill Co., Ltd.

Food safety responsible marketing and compliance education and training program

The Food SBU and SC Foods conduct
Regarding responsible marketing and compliance related to food safety, the Food SBU and SC Foods conduct training programs aimed at increasing employees' awareness and knowledge of food safety, legal compliance, and sustainability.

Main contents	①Food safety management introduction seminar (held at least once a year) • Food safety and responsible advertising, marketing, and promotion (responsibilities of food business operators, food safety management, sustainability) • Food-related laws and regulations (Food Sanitation Act, Food Labeling Act) • Food safety initiative system (internal regulations, rules, organizational structure) • Food product management, quality control, and process control ②Food Compliance Committee (conducted 6 times a year, bimonthly) Updating and disseminating information related to food safety management, sustainability, and compliance
Target Persons	①A member of the Food SBU and a member of SC Foods Co., Ltd. (required for those in employment/transfer positions) ②In charge of food safety at the Food SBU, SC Foods Co., Ltd.; Committee members selected from each sales department, logistics-related departments, and group companies participate. (conducted 6 times a year, every other month)

Attendance status	FY2022	FY2023	FY2024
Number of participants	①30 people ②14 people/time	①10 people ②14 people/time	①10 people ②12 people/time

Access to better nutrition

In the food sector, the Sumitomo Corporation Lifestyle Group operates a wide range of food businesses from upstream to downstream, including distribution and processing businesses centered on fresh fruits, vegetables, and meat, raw material businesses such as grains, fats/oils, and sweeteners, and retail businesses such as supermarkets and drug stores. We are developing our business with the concept of health and wellness and working to address social issues.

In developed countries, with the arrival of super-aging societies, increased medical costs and an increase in the number of people requiring nursing care due to undernutrition and imbalanced nutrition among the elderly have become major issues. Furthermore, it is necessary to maintain nutrition for home care patients who require dietary restrictions due to diabetes or kidney disease, and to ensure a nutritional balance to prevent obesity. Meanwhile, emerging countries face social issues such as hunger and malnutrition caused by poverty.

Some of SUMMIT, INC. and Tomod's CO., LTD. stores are running the Health Community Corner "Kenkomi" as a place that supports local consumers with food and health. We also offer them services such as health condition self-check, nutrition guidance and health consultations by our resident registered dietitian, and recipe introductions.

The Sumitomo Corporation Lifestyle Group will contribute to solving these social issues by improving nutrition through the stable supply of food and providing foods and services with high added value in nutritional terms, thereby creating a society where people can live healthy and prosperous lives.

Addressing Negative Impacts of Processed Foods

Development and provision of products and services that promote health and eliminate negative impacts

SUMMIT,INC

The labeling of processed foods is crucial information for ensuring the safety of individuals with food allergies when consuming food and for preventing health issues due to excessive intake of specific substances. SUMMIT, INC. is committed to providing accurate and easy-to-understand food labeling and information in compliance with laws and regulations in order to prevent health issues for people with food allergies.

Food SBU and SC Foods Co., Ltd.

Food SBU and SC Foods Co., Ltd. are working to provide accurate and easy-to-understand food labeling and information in compliance with laws and regulations by checking product information such as ingredients, food additives, allergens related to food allergies, and country of origin by the food safety management staff.

Development and provision of products and services that promote health and eliminate negative impacts

SC Foods & Summit Oil

SC Foods Co., Ltd. and Summit Oil Mill Co., Ltd. procure premium vegetable oils with a variety of functionalities from around the world in response to growing health-conscious needs and provide them to customers and consumers. Flaxseed oil and perilla oil contain omega-3 (n-3 fatty acids), which are "essential fatty acids" that cannot be produced in the body and support the health maintenance functions of the human body, and are also being developed as functional foods.

Wellneo Sugar Co., Ltd.

Wellneo Sugar Co., Ltd. aims to realize "Well-being" (happiness and health) by exploring the power and potential of sugar.
Wellneo Sugar group offers a variety of sugar and sweetener products, including general sugar, to meet the needs of consumers, such as products using galactooligosaccharide (GOS), which is effective as a substance that promotes the growth of bifidobacteria in the intestines, and products that strengthen bones. Wellneo Sugar develop and provide products that meet the needs of consumers and help solve social issues, such as products that contain calcium and magnesium, which are necessary for human health.
Developed by Wellneo Sugar using biotechnology, "Cup Oligo" is an oligosaccharide made from the lactose contained in milk. Its main component GOS, is effective in promoting the growth of Bifidus bacteria. "Cup Oligo" has superior physical properties as a food sweetener and — as a substance also present in breastmilk — is reliable in terms of safety. Research on the functionality of GOS is currently attracting a lot of attention, with the number of papers increasing all over the world.

Addressing the negative impact of alcohol products on socially vulnerable groups

SUMMIT,INC

SUMMIT,INC runs community-based retail business and implement the following initiatives to support the socially vulnerable groups.

SUMMIT,INC sells alcoholic beverages and tobacco, and is committed to strictly preventing the sale of alcoholic beverages and tobacco to persons under 20 years of age.
Alcohol consumption by people under 20 years of age has a number of negative effects, including those on health, such as impeding physical growth (sexual function, brain, liver, etc.), causing higher risk of becoming addicted to alcohol. Also people who start drinking at a younger age are more likely to engage in risky behaviors.
As a responsible business operators, SUMMIT,INC recognizes that drinking alcohol can have these negative effects on people under the age of 20. We take the following precautionary measures and work diligently to prevent the negative effects of alcohol consumption on people under the age of 20 and other vulnerable groups in society.

1. Warning to Customers
We give warnings to customers about the sale of alcohol by displaying posters stating that we do not sell alcoholic beverages to persons under 20 years of age, and by indicating that the products are alcoholic beverages. In addition, store managers regularly check to ensure that these posters and displays are appropriate and properly operated.

2. Age verification at the cash register
To prevent the sale of alcoholic beverages to persons under 20 years of age, we always check the age of customers when selling alcoholic beverages. At the self-checkout system, we have introduced a system in which an alarm is turned on when an alcoholic beverage is purchased, and turned it off after an attendant confirms that no alcohol is sold to those under 20 years of age.

3. Regular employee training
At SUMMIT,INC, we ensure that alcoholic beverages are not sold to anyone under the age of 20 by regularly educating and enlightening our employees on alcohol-related knowledge and warnings to customers. We include this information in department training textbooks and alert store employees at meetings and through letters before seasonal occasions when alcohol consumption increases, such as during summer vacation and the end of the year.

4. Sales of non-alcoholic products
At SUMMIT,INC, we sell products with fewer negative effects, such as non-alcoholic products and alcoholic beverages with lower alcohol content.

Creating a safe and secure local community for a better future for the local community

SUMMIT,INC

SUMMIT, INC is committed to coexisting with the local community, not only by fulfilling its function as an infrastructure that supports daily lifestyles of the community, but also by working to revitalize the community through collaboration with schools, shopping districts, and municipalities, as well as creating "places for people to interact and gather". Supermarkets, where people come together, facilitates communication. We aim to be a place where the community can feel “joyful” and “relaxed”, supporting local life as infrastructure.

In order to continue to be an infrastructure that supports people's lives even in the event of a disaster, we have developed a "Business Continuity Plan for Natural Disasters," concluded disaster support agreements with some municipalities where our stores are located, and distributed our original disaster prevention guidebooks. In addition, the company accommodates local elementary and junior high school students for store tours and hands-on learning opportunities, participates in donation activities through the sale of collected PET bottle caps, and hosts fun in-store events to deepen engagement with the local community.
As another example of our efforts to coexist with the local community, we host the Suginami Hanagasa Festival every year at Ohmiya-Hachimangu shrine in Suginami-ku, Tokyo where Summit’s headquarter is located. The festival features food booths sponsored by our business partners, the iconic Hanagasa-odori parade by local community and our employees, and events such as raffles, attracting more than 20,000 visitors every year and becoming a popular winter feature.

SC Foods Co., Ltd

SC Foods Co., Ltd., a member of the Sumitomo Corporation Group, deals in coffee certified by Con Manos De Mujer (CMM: English name: ： WOMAN'S HAND). In 2010, Mayacert S.A. and Asobagri Cooperative jointly established the CMM certification system with the goal of bettering the social standing of women and improving their economic environment. The premium attached to the price of CMM certified coffee is transformed into scholarships, medical assistance, etc. given to female farmers who are members of the cooperative, supporting their active efforts to achieve self-actualization.

SC Foods Co., Ltd., a member of our group, continuously purchases raw materials and products from developing countries that are produced with consideration for local community and the environment at fair prices, thereby supporting vulnerable producers and workers in developing countries. We carry multiple products certified by Fair Trade, a trade system aimed at improving people's lives and increasing their independence.
SC Foods is actively importing Fair Trade certified coffee, sesame seeds and other products from all over the world, expanding our product lineup, production areas, and sales channels, and working to communicate to manufacturers and consumers the significance and benefits of fair trade and the efforts of production areas that are not limited to trade.

Additionally, in the rice sector, which has the highest environmental impact in terms of GHG emissions within Japan's agriculture, forestry, and fisheries sectors, SC Foods is promoting initiatives to reduce GHG emissions. Compared to traditional farming methods, direct seeding rice, where seeds are sown directly in paddy fields, is expected to have approximately one-fourth lower GHG emissions. Furthermore, it is anticipated to reduce labor and expand the scale of operations. By expanding the handling of direct seeding rice, we will continue to contribute to reducing environmental impact and addressing food issues.

Tomod’s CO., LTD.

With the increasing demands on drugstores due to the aging of the population , Tomod’s CO., LTD., our group company, aims to become a "Go-to drugstore" that supports the healthy and enriching lives of people in the community. In addition to the traditional functions of a drugstore and dispensing pharmacy, Tomod's offers a variety of services that leverage its expertise, including counseling by Registered Dietitian, seminars and health events, and specific health guidance, as well as online medication guidance via video call, and nutritional guidance for home patients accompanied by a dietitian during home medication dispensing. Also, in March 2024, Tomod's renewed its Nerima Takanodai store with the concept of "a pharmacy where customers without prescriptions can easily drop by." The store not only functions as a dispensing pharmacy but also features a new community interaction and event space called "Neritaka Room". Various events such as "Nerima Exercise Class", "Adult Diaper & Care Product Instruction Session", "Physical Fitness Measurement & Registered Dietitian Consultation Session", and collaboration events with the Nerima Takanodai Regional Comprehensive Support Center are held at this space.

Initiatives in the mining business

“Social license to operate” is a term that means to gain approval from society to carry out business activities. The mining business in particular requires initiatives to reduce environmental impact arising from development and to facilitate sustainable development of local society. In conducting the mining business, the Sumitomo Corporation Group values compliance with laws and regulations, as well as the concept of a social license to operate, and works on rehabilitation at all mining sites where it operates to minimize its impact on the ecosystem and contribute to environmental restoration.

Eventually the production at the mine will come to an end. It is therefore important to support economic independence and minimize environmental impact after the operation shuts down so that the local community can achieve sustainable development. When participating in a mining project, the Sumitomo Corporation always develops a business plan that covers the costs required to restore the site to its original state after closure, according to the life of the mine. When actually closing a mine, we take appropriate steps in accordance with local laws and regulations.

Initiatives in the media business and digital business

The Sumitomo Corporation Group respects personal information provided by customers and pays the utmost attention to data privacy. We recognize their importance particularly in the media business and the digital business, which require strict and proper management, and accordingly ensure compliance with laws and regulations on the handling of personal information, guidelines set forth by administrative bodies, and other standards. For example, Jupiter Shop Channel, as an operator of the “Shop Channel” for TV shopping; and SCSK as an IT services provider are certified as handling personal information properly in compliance with Japanese Industrial Standards JIS-Q 15001 personal information protection management systems—requirements, making them eligible to use the privacy mark. In operating the media business, including the multichannel programming distribution, we are making efforts to meet society’s trust by observing freedom of speech and expression, following the spirit of democracy, respecting basic human rights and public opinion, and protecting law and order.

Commitment to External Initiatives

Participation in industry initiatives related to alcohol safety

It is important to our business that we thoroughly address issues regarding the potential negative impacts of alcoholic products such as alcoholism, alcohol poisoning, and drinking under 20 years of age. We also recognize that these negative impacts are especially important with regard to vulnerable groups. Therefore, The Sumitomo Corporation Group are members of the following industry organization, in order to participate in knowledge sharing and monitoring the latest market trends and best practices.

＜Tokyo Retail Liquor Sales Association＞
Regarding alcoholic beverages, in order to protect the liquor tax by law and the product's characteristics as an intoxicating beverage, both manufacturing and sales are regulated by the liquor sales license system, and only licensed individuals or entities can sell alcoholic beverages.

The license is granted based on personal requirements such as the licensee's social qualifications, management knowledge/sales ability, and management capital requirements.
The social responsibility of those who have been granted an alcoholic beverage sales license is to comply with related laws and regulations, take into consideration the social harm caused by the characteristics of the product and national health, and ensure that the culture of drinking is inherited, stable business management, and efforts to maintain and improve a responsible drinking environment, and to promote market competition under fair rules, while striving for measures that emphasize the welfare and interests of the public.
To this end, we will strive to promote the common interests of maintaining individual management and the development of the industry as a whole through activities based on close communication and the spirit of mutual support fostered by the association.

Participation in Food Safety-Related Initiatives and Organizations

Sumitomo Corporation Lifestyle Group belongs to the Japan Food Additives Association for the purpose of collecting information, improving knowledge, and exchanging opinions regarding food safety in order to supply safe and secure processed foods.

＜Japan Food Additives Association＞
Japan Food Additives Association (JAFA) was established in 1982 by companies and organizations that manufacture, import, sell, and use food additives to disseminate correct knowledge about food additives, and became a general incorporated association in April 2014. JAFA works under the guidance of the Ministry of Health, Labour and Welfare and other related government agencies with the objectives of providing members with accurate knowledge pertaining to the production, sale, and use of food additives, and promoting consumer understanding of safety and utility. In addition, JAFA seeks to contribute to the sound development of food-related industries, and to better consumer dietary habits and public hygiene. As a member of the association, Sumitomo Corporation strives to improve knowledge about food additives by acquiring and utilizing information on food additives, and by attending courses.

Participation in industry initiatives related to hunger and poverty in developing countries

Support for World Food Programme (WFP)
SC Foods Co., Ltd., is a supporter of the United Nations World Food Programme WFP Association (United Nations WFP Association), a certified non-profit organization that supports the WFP United Nations World Food Programme, whose mission is to eradicate hunger and poverty, and is the official support window for the WFP United Nations World Food Programme in Japan.

Participation in Industry Initiatives on Responsibility for Customers

Sumitomo Corporation Group's members delivering products directly to consumers (i.e., Jupiter Shop Channel operating the "Shop Channel" for TV shopping, the food supermarket chain SUMMIT,INC, and Tomod's operating pharmaceutical-dispensing drug stores) are participating in the following industry initiatives (as of June 2024).

Japan Direct Marketing Association (JADMA)
JADMA is the official representative body of the direct marketing industry, as specified in Article 30 of the Act on Specified Commercial Transactions. It collaborates with consumer organizations and public offices to create and disseminate guidelines for fair trade, resolve complaints from consumers and businesses, identify industry trends through surveys and information exchange, and grant the JADMA Mark to direct marketing companies (Full Members) that comply with all relevant laws and regulations.

All Japan Supermarket Association (AJS)
AJS was established in 1962 to contribute to the development of the entire supermarket industry by supporting member companies from the viewpoint of education, products, and information.

Japan Supermarkets Association (JSA)
JSA was established in 1999 to plan, propose, and promote food distribution policies together with local communities.

Japan Chain Stores Association (JCA)
JCA was established in 1967 to rationalize distribution systems, facilitate their modernization, and contribute to people's lives by improving retailing management through the promotion of healthy development and expansion of chain stores.

Nippon Pharmacy Association (NPhA)
The main purposes of this association are as follows, based on three key words of safety, convenience and economy which are to clarify the roles of national insurance pharmacies to prioritize the profit of Japanese people. It also aims to contribute to realize health insurance pharmacies that can be truly trusted and satisfied by Japanese people through activities such as fostering health insurance pharmacies with people's viewpoint, providing relevant information and streamlining pharmacy operation and establishing various infrastructures to do so.

Tomod's discontinued tobacco sales at all of its stores at the end of July 2017 to help customers achieve a healthy and affluent life. Even before this, Tomod's has supported efforts to quit smoking, introducing customers to medical institutions that provide smoking cessation outpatient service in the neighborhood, as well as products that help them to quit smoking, and providing nutritional guidance from national registered dietitians before and after smoking cessation. Additionally, to encourage its employees to work together with customers in quitting smoking, Tomod's introduced a welfare program for employees that supports the smoking cessation program. In recognition of these activities, the Japan Society for Tobacco Control recently offered a letter of appreciation to Tomod's.

Involvement with external initiatives

Declaration of partnership building

In June 2020, the Council on Promoting Partnership Building for Cultivating the Future, whose members consist of the Chairman of Keidanren (the Japan Business Federation), the Chairman of the Japan Chamber of Commerce and Industry, the President of Rengo (the Japanese Trade Union Confederation) and the relevant ministers (the Minister of State for Economic and Fiscal Policy; the Minister of Economy, Trade and Industry; the Minister of Health, Labour and Welfare; the Minister of Agriculture, Forestry and Fisheries; and the Minister of Land, Infrastructure, Transport and Tourism), introduced a framework called the Declaration of Partnership Building.
This framework allows a company to declare, in the name of the company's representative, that it will build a new partnership for shared prosperity throughout the supply chain by reinforcing relationships with supply chain partners and enterprises that seek to create value.

By adopting the Declaration, companies publicly commit to:

1. shared prosperity throughout their supply chains and new partnerships across the borders of business scales and groups; and
2. compliance with the Promotion Standards stipulated in the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises regarding fair transactions with subcontractors.

Hence, each company's efforts in this regard become visible.

Sumitomo Corporation has endorsed this initiative and expressed its commitment to building trust and creating new value, and to maintaining and enhancing such trust and value, through sound business activities with suppliers, customers, joint venture partners, financial institutions, logistics companies and all other business partners. (June 13, 2025)

Social Contribution Activities

Social Contribution Activities

The Sumitomo Corporation Group's Basic Principles on Social Contribution Activities

OBJECTIVE

We, as a global organization, will work on social issues through our business activities and social contribution activities with the aim of building a sustainable society by implementing the Sumitomo Corporation Group's Management Principles and Activity Guidelines.

ACTIVITIES

We will engage in social contribution activities aimed at developing the next generation of human resources who will drive the sustainable development of society, and contributing to local communities in areas we do business all over the world. We will also take part in various activities as a good corporate citizen.

APPROACH

We will perform and seek to continuously improve our activities with modesty and high aspirations and endeavor to maintain a high level of transparency while strengthening our relationships with all our stakeholders.

Please click here to learn more about our social contribution activities.

Social Contribution Activities →

Volunteer Leave System

Having a volunteer leave system in place to encourage employees to participate in volunteer activities

In 1998, Sumitomo Corporation initiated a volunteer leave system to encourage its employees to participate in volunteer activities.
Under the system, each employee can take up to five days off per year, and by the end of fiscal 2023, a total of 207 employees had utilized the system to participate in volunteer activities, including those for natural environment conservation, local sports competitions, international exchange, and disaster relief activities.

Governance

Governance

Corporate Governance

Principles

Corporate Governance Principles

Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Management Principles form the backbone of the corporate ethics and represent the foundation underpinning our corporate governance. Based on this, we established the Sumitomo Corporation Corporate Governance Principles, recognizing that the essence of corporate governance is enhancing management efficiency and maintaining sound management, as well as ensuring management transparency to secure the first two. Efforts to build a better corporate governance system and carry out business activities following these principles help the Company achieve sustainable growth, enhance corporate value over the medium to long term, and fulfill its mission as a good corporate citizen, as well as benefits the interests of shareholders and all other stakeholders. For this reason, we continuously work to further enhance and improve our corporate governance.

- Sumitomo Corporation Corporate Governance Principles

System

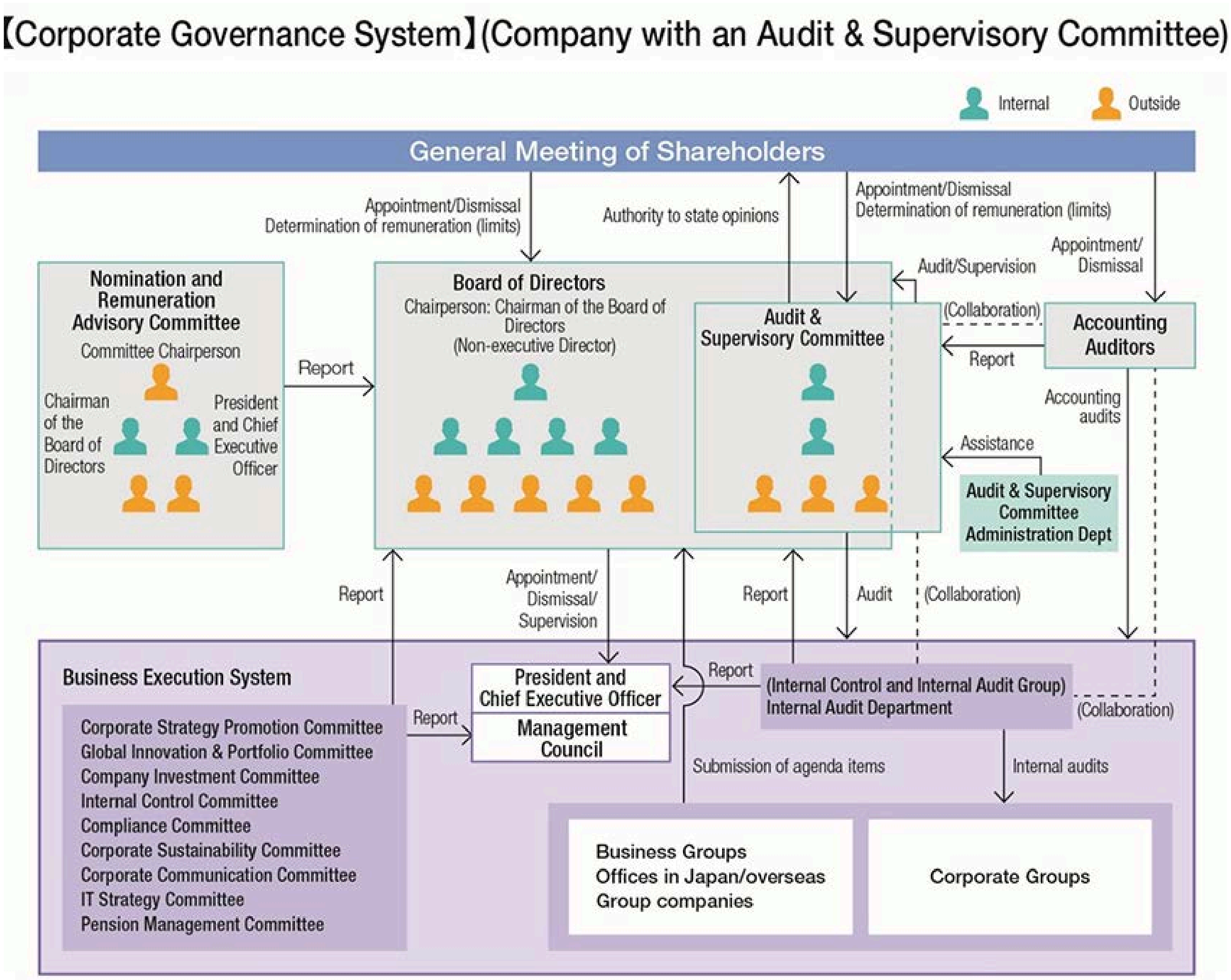
System and features of corporate governance

To accelerate the execution of the growth strategies outlined in our "Medium-Term Management Plan 2026," which commenced in April 2024, the Company transitioned to a company with an Audit & Supervisory Committee. This move aims to ensure timely and appropriate business execution by the management team and to strengthen the effectiveness of the Board of Directors in making decisions on important matters and supervising the execution of those decisions. The Company has elected eight independent Outside Directors -constituting a majority of the fifteen-member Board of Directors- with a wealth of experience and a high degree of specialized knowledge and expertise in different fields. This ensures enhance its supervisory function over management and make appropriate decision in board meetings and further reinforces the oversight function through further diverse perspectives. Also, the Company has established the Nomination and Remuneration Advisory Committee (chaired by an Outside Director) as an advisory body of the Board of Directors in which the majority of members are Outside Directors. This enhances independence, objectivity and transparency of the Board of Directors' function with respect to nomination and remuneration of Executive Officers.

To strengthen the oversight framework from an external perspective, three of five Audit & Supervisory Committee Members are the independent Outside Directors, one has an experience in business management, one is a legal expert, and the other is a certified public accountant with considerable knowledge of finance and accounting, thereby ensuring an auditing system that incorporates a diversity of perspectives. Furthermore, Directors who are Audit & Supervisory Committee Members are permitted to attend all important internal meetings, enabling them to obtain sufficient information essential for auditing. By implementing the measures above, the Company believes that it has developed an effective, enhanced corporate governance system.

Our Material Issues which were updated in 2024, include "Maintain and strengthen governance." To strengthen the functions of the Board of Directors, the Company will strive to further improve the functions of the Board of Directors in monitoring the execution of operations through the effective supervision of key management policies and strategies (allocation of management resources, strategies related to business portfolio, sustainability management, etc.) and enhancing organizations for further strengthening the objectivity of the Board of Directors.

The Company's Corporate Governance System



Corporate Governance Report

Directors and the Board of Directors

Election of Outside Director

To facilitate thorough debate and prompt, rational decision-making, the Board of Directors is composed of an appropriate number of members and diversity is ensured in terms of attributes including experience, knowledge, expertise, and gender. In addition, of the fifteen Directors elected, eight are Outside Directors with a wealth of experience and a high degree of specialized knowledge and expertise in different fields. This ensures appropriate decision-making in board meetings and further reinforces the oversight function through diverse perspectives. All Outside Directors meet the standards related to independence set by the financial instruments exchange that the Company is listed on, and the Standards for Independence set by Sumitomo Corporation.

Name	Reasons for proposing and summary of expected roles
Akiko Ide since June 2020 <Attendance at Meetings of the Board of Directors in fiscal 2024 > 16 of 16 meetings (100%)	Ms. Ide served in several key positions for many years at a major telecommunications carrier, working as a group company executive and as a full time audit & supervisory board member of the parent (holding) company. Through these and other roles, she has accumulated wide-ranging knowledge and a wealth of experience in information and communications, business management, and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. She will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director. She is expected to draw on her experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions. In addition, as Member of the Nomination and Remuneration Advisory Committee, she is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.

Name	Reasons for proposing and summary of expected roles
Takashi Mitachi since June 2022 < Attendance at Meetings of the Board of Directors in fiscal 2024 > 16 of 16 meetings (100%)	Mr. Mitachi served in several key positions for many years at a major US consulting firm. Through these and other roles, he has accumulated wide-ranging knowledge and a wealth of experience in business management and enterprise risk management, etc.; he is also honest in character, as well as highly insightful and capable. He will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director. He is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions. In addition, as Chair of the Nomination and Remuneration Advisory Committee, he is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.
Takahisa Takahara since June 2023 < Attendance at Meetings of the Board of Directors in fiscal 20243 > 16 of 16 meetings (100%)	Mr. Takahara has held several key positions for many years at a major consumer goods manufacturer, serving as Director, Senior Director, and President & CEO. Through these and other roles, he has accumulated wide-ranging knowledge and a wealth of experience in business management; he is also honest in character, as well as highly insightful and capable. He will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director. He is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions. In addition, as Member of the Nomination and Remuneration Advisory Committee, he is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.

Name	Reasons for proposing and summary of expected roles
Haruyasu Asakura since June 2024 < Attendance at Meetings of the Board of Directors in fiscal 2024 > 13 of 13 meetings (100%) (Since appointed Director on June 21, 2024)	Mr. Asakura has held several key positions for many years at private equity fund investment companies and served in executive and outside director positions for multiple companies. Through these and other roles, he has accumulated wide-ranging knowledge and a wealth of experience in M&A and business management, etc.; he is also honest in character, as well as highly insightful and capable. He will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director. He is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions.
Nana Otsuki since June 2024 < Attendance at Meetings of the Board of Directors in fiscal 2024 > 13 of 13 meetings (100%) (Since appointed Director on June 21, 2024)	Ms. Otsuki has held several key positions for many years at companies including leading securities firms and has served as a university professor and in outside director positions for listed companies. Through these and other roles, she has accumulated wide-ranging knowledge and a wealth of experience in market analysis and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. She will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director. She is expected to draw on her experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions.
Yukiko Nagashima since June 2025 （Audit & Supervisory Board Members from June 2021 to June 2025）	Ms. Nagashima has served several key positions for many years at a major comprehensive human resource services company (holding company), and has served as executive at its group company, Standing Audit & Supervisory Board Member at the holding company, and outside director positions at another major company. Through these and other roles, she has accumulated highly specialized knowledge and a wealth of experience in business management and corporate governance etc. She is also honest in character, as well as highly insightful and capable. She will contribute to the Company's aim of ensuring appropriate decision-making from diverse perspectives in board meetings, further enhancing supervisory functions, and conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Director of the Company who is Audit & Supervisory Committee Member and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director who is Audit & Supervisory Committee Member. Ms. Nagashima is expected to draw on her experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions, as well as to conduct audit from diverse perspectives.

Name	Reasons for proposing and summary of expected roles
Nobuo Inada since June 2025 (Audit & Supervisory Board Members from June 2024 to June 2025)	Mr. Inada has highly specialized knowledge and a wealth of experience in law based on his career over many years as a prosecutor and attorney at law. He is also honest in character, as well as highly insightful and capable. He will contribute to the Company's aim of ensuring appropriate decision-making from diverse perspectives in board meetings, further enhancing supervisory functions, and conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Director of the Company who is Audit & Supervisory Committee Member and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director who is Audit & Supervisory Committee Member. He is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions, as well as to conduct audit from diverse perspectives.
Taisei Kunii since June 2025 (Audit & Supervisory Board Members from June 2024 to June 2025)	Mr. Kunii has highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing based on his career over many years as a certified public accountant. He is also honest in character, as well as highly insightful and capable. He will contribute to the Company's aim of ensuring appropriate decision-making from diverse perspectives in board meetings, further enhancing supervisory functions, and conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Director of the Company who is Audit & Supervisory Committee Member and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director who is Audit & Supervisory Committee Member. Mr. Kunii is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions, as well as to conduct audit from diverse perspectives.

Standards for Appointment and Independence of Outside Directors

Enhancement of Monitoring Function at the Board of Directors

The Company defines the role of the Board of Directors, in accordance with the “Sumitomo Corporation Corporate Governance Principles” as determining the overall direction of business, carries out highly effective supervision over business execution from a broad and diverse perspective, and making important decisions that affect the overall management of the Company. Bases on this approach agenda items for the Board of Directors are carefully selected by the Board of Directors to promote more focused discussion of management policies and plans and other important matters for companywide management. Members of the Board of Directors also select items that should be taken up for more intensive discussion at the Board of Directors meetings each year (agenda setting).

The Board of Directors periodically monitors the state of business execution companywide by receiving reports on the status of businesses important to the Company’s management and the activities of the main corporate committees.

The Board of Directors holds off-site meetings in addition to regular meetings, for free and open discussions on important management topics, including management policies and plans roles and functions of the Board of Directors, and ESG (Environment, Social and Governance) issues. Moreover, to ensure that Outside Directors and Outside Audit & Supervisory Board Members actively contribute to the discussions at the Board of Directors, a monthly meeting is held, which is comprised of Outside Directors, in which they engage in robust discussion.

Prior to every meeting of the Board of Directors, Outside Directors are briefed on the agenda items due for discussion.

Separation of Duties between the Chairman of the Board of Directors and the President and Chief Executive Officer, and Limits on Their Terms of Office

In principle, the positions of Chairman of the Board of Directors and the President and Chief Executive Officer are clearly defined and separate in order to ensure mutual supervision, and both positions cannot be held simultaneously by the one person. The role of the Chairman of the Board of Directors is to supervise the management of the Company; the Chairman has no involvement in day-to-day execution of operations and no authority to represent the Company.

In principle, the Chairman of the Board of Directors and the President and Chief Executive Officer are each limited to term of six years. This limitation on the tenure of top management helps eliminate the possibility of governance problems occurring as a result of the top management not being changed over for a long period of time.

Evaluation of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, each year Directors (until fiscal 2024, Directors and Audit & Supervisory Board Members) engage in analysis and evaluation of the Board's effectiveness through evaluation and several discussions. This is followed by the disclosure of overviews of the results. The effectiveness evaluation for fiscal 2024 and the overview of the results is as follows.

1. **Evaluation method**
   (1) Target: All members of the Board of Directors (11) and all Audit & Supervisory Board members (5)
   (2) Implementation method:
   In November 2024, we implemented a questionnaire survey (*). Based on the results, Directors and Audit & Supervisory Board members held several discussions to evaluate and analyze the results, and to identify issues and the initiatives on how we should improve them.
   * The questionnaire survey primarily consists of a free-writing format regarding topics that Directors and Audit & Supervisory Board members view as issues. In addition, given the current candid exchange of opinions by the Board of Directors to grasp the background of respondents' issue awareness and opinions to deepen discussions, from fiscal 2022 respondents are asked to fill in their names.
   (3) Evaluations items:
   (i) Functions and roles of the Board of Directors
   (ii) Composition of the Board of Directors
   (iii) Agenda items
   (iv) Content and Quality of discussions
   (v) Provision of support and information
   (vi) Advisory body to the Board of Directors
   (vii) Fulfillment of roles of the Board chair
   (viii) Fulfillment of roles of internal Directors
   (ix) Fulfillment of roles of Outside Directors
   (x) Self-evaluation
   (xi) Expectations in Audit & Supervisory Board members
   (xii) Comprehensive evaluation
   (4) Third-party Assistance:
   We received advice and assistance from a third party (external consultant) mainly to determine the questions used in this questionnaire.
2. **Evaluation results overview**
   Fiscal 2024, prior to conducting the survey, the Board of Directors held five off-site meetings to discuss the future of the Company's Board of Directors. As a result of these discussions, members share an awareness of the functions and roles that should be achieved in the future, and no significant problems with the effectiveness of the Board of Directors were identified in either the responses to the questionnaire or the discussions among all Directors and Audit & Supervisory Board Members regarding the results of the questionnaire, and it was determined that the Company's Board of Directors continues to function effectively.
   In fiscal 2025, the Board will focus on stabilizing the operation of the Company's new management framework following the change in its governance structure. In addition, based on the feedback from the effectiveness evaluation, the Board has positioned the following items as priority issues to be addressed, and will strive to steadily implement improvements.

- Set meeting agendas that facilitate discussion of company-wide management issues.
- Consider the ideal number of Directors on the Board and their required backgrounds.
- Strengthen collaboration between the Nomination and Remuneration Advisory Committee and the Board of Directors
- Study and implement the appropriate audit system after the transition to a Company with an Audit & Supervisory Committee governance system.

3. **Results of initiatives implemented in fiscal 2024 to address issues identified in the effectiveness evaluation conducted in fiscal 2023**

   In the evaluation of the effectiveness of the Board of Directors conducted in fiscal 2023, three key items were identified as issues/initiatives going forward in fiscal 2024: (1) Functions and roles that should be fulfilled by the Board of Directors, (2) Composition of the Board of Directors, and (3) Setting the agenda for the Board of Directors. To address these issues, in fiscal 2024, the Board of Directors held intensive off-site discussions from August to December 2024 on the topic of reviewing the ideal structure of the Board of Directors. As a result of the discussions mainly below, the Board established a direction for a comprehensive review of the Board of Directors, including its role, structure, agenda setting, and changes to its corporate governance structure. At a meeting held on January 28, 2025, the Board resolved to changes to its governance structure (transition to a Company with an Audit & Supervisory Committee), and disclosed this decision publicly on the same day.

   - Conducted discussion on the future of the Company's Board of Directors to enhance its role as a forum for more effective dialogue and discussion that contributes to the enhancement of the Group's corporate value over the mid- to long- term.
   - In line with the April 2024 revision of the Company's business organization, which was designed to implement agile decision-making and autonomous management in order to achieve sustainable growth and enhance corporate value, it was confirmed that the roles of the Board of Directors and the Management Council will be divided more clearly, and reorganized into a structure and operating framework that enables the Board of Directors to perform more effective supervision of the Company's executive functions.
   - As specific measures to strengthen the supervisory function of the Board of Directors, the Board confirmed its intention to increase the number of Outside Directors to a majority and to expand monitoring and discussion of important company-wide management issues.
   - Based on the above three considerations, the Board decided to expand the scope of authority delegated to the Management Council for individual matters such as investment projects and to make necessary changes to the Company's governance structure (transition to a Company with an Audit & Supervisory Committee).

Establishment of the Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, of which a majority of members are Outside Directors (including Directors who are Audit & Supervisory Committee Members), and which is also chaired by an Outside Director, has been established as an advisory body to the Board of Directors. The Committee meets as necessary, and is in charge of deliberating the matters on (1) policies and procedures regarding appointment and dismissal of the President and Chief Executive Officer, (2) policies and procedures regarding appointment and dismissal of the Chairman of the Board of Directors, (3) nomination criteria for Directors(including Directors who are Audit & Supervisory Committee Members), (4) appointment and dismissal of the President and Chief Executive Officer (including the nomination of a successor of the President and Chief Executive Officer), (5) nominations of candidates for Directors (including determination of Representative Directors and Executive Directors)(excluding Directors who are Audit & Supervisory Committee Members), (6) nomination of candidates for Directors who are Audit & Supervisory Committee Members, (7) appointment of Management Council members, (8) the structures/levels of remuneration and bonuses for Directors(excluding Directors who are Audit & Supervisory Committee Members) and Executive officers and the limit of remuneration for Directors who are Audit & Supervisory Committee Members, and (9) the advisor system, and will submit the results thereof as recommendations to the Board of Directors. Additionally, the committee also deliberates and determines any matters delegated by the Board of Directors that are not included in (1) to (9) above, and reports the outcome of such deliberation or decision to the Board of Directors. In FY2023, the Nomination and Remuneration Advisory Committee met 8 times to deliberate the abovementioned matters, and submitted the results thereof as recommendations to the Board of Directors.

Composition of the Nomination and Remuneration Advisory Committee

Total Members	Internal Directors	Outside Directors	Committee Chairman
5persons	2 persons (President and Chief Executive Officer, Chairman of the Board of Directors)	3 persons	Outside DirectorOutside Director

The Skills such as knowledge, experience and competencies, etc., that the Board of Directors is required to possess, and Skills that Directors currently in office possess (as of June 2025)

The Skills that the Board of Directors is required to possess

All Directors of the Company, regardless of whether they are internal or Outside Directors or Audit & Supervisory Board Members, are required to be honest in character, as well as highly insightful and capable, in accordance with their respective qualifications. Also, the Company raises "No.1 in Each Field" as a theme under the Medium-Term Management Plan 2026, and the Company accelerates business portfolio transformation through growth of business which has strengths and strengthening people and organizations, which are the driving forces for growth. Through such initiatives, the Company will strive to enhance the Group's competitive advantages and achieve growth by addressing social challenges. For successful implementation of this management plan, we have identified the types of knowledge, experience, and competencies, etc. (hereinafter "Skills") which enables the Board of Directors to adequately fulfill its roles of making decisions on important business matters and supervising business execution. "Governance" and "Global perspective" are Skills that all Directors are required to possess, while we believe that the Board of Directors as a whole should possess the other seven Skills. Of these seven Skills, for Directors who are Audit & Supervisory Committee Members we place a particularly high priority on "Corporate Management", "Finance/Accounting", and "Legal/Risk Management". As the Skills that the Board of Directors is required to possess may vary according to business strategies or changes in the external environment, the Board of Directors will continue to discuss the skills required, make necessary changes, and disclose such changes.

Skills that all Directors are required to possess and reasons why these Skills are necessary

Governance	We believe that in order to fulfill our mandate from shareholders while at the same time managing our business in the interests of all stakeholders, it is essential for all Directors to be well-equipped with a high level of knowledge regarding governance. The essence of corporate governance based on our view is defined in the Sumitomo Corporation Corporate Governance Principles as "improving management efficiency," and "maintaining sound management," as well as "ensuring management transparency".
Global Perspective	From the perspective that the Company conducts business transactions and investments throughout the world, we believe that all Directors should have keen insight from a global perspective. We view that this Skill entails the ability to plan and implement an optimal business strategy that combines caution with flexibility even under extremely uncertain situations, taking into account different cultures, different industrial structures, or the latest geopolitical developments, etc. We also view that this Skill includes the ability to appropriately supervise the execution of related management duties.

Skills that the Board of Directors as a whole is required to possess and reasons why these Skills are necessary

Corporate Management	The Company engages in a range of business activities, aiming for a stable and sustainable increase in its corporate value. As the Board of Directors is the body that makes decisions on the Company's important business matters and supervises operational execution, we place a high priority on Skills related to corporate management. Such Skills are necessary to plan and implement an optimal business strategy for creating value in accordance with the Company's Management Principles while also meeting our stakeholders' expectations in a constantly changing operating environment.
Investment/M&A	The Company invests in a diverse range of business domains. We consider Skills related to investment and M&A to be important for maximizing corporate value by selecting and implementing investment projects aligned with our strategy, and for supervising the progress of such projects. Such Skills include the abilities to clearly define investment objectives and determine their compatibility with our strategy, to properly evaluate investment targets, to undertake post-investment monitoring, and to ascertain the best timing for replacement of assets. We believe that it is expected for the Board of Directors to take a broad overview of investment projects and express its opinions on such projects from a standpoint one step away from that of Executive Officers and other executives.
IT/DX/Technology	As accelerating technological advancements transform societies and industrial structures, the Company will continue to create value by responding with agility to such change, by anticipating change to pursue business innovation, and by creating new businesses. We will also reform our own business foundation by making effective use of new digital technologies such as AI in our business activities in line with our own values. We therefore place priority on Skills related to IT, DX, and Technology to facilitate decision-making and supervision in relation to such initiatives.
Sustainability	Having identified certain important challenges that need to be prioritized as Material Issues, and placed these issues at the core of its business management, the Company always pays attention to whether its businesses are contributing to society. We are pursuing sustainability management, which entails anticipating long-term changes in our operating environment relating to social issues and allocating management resources strategically to contribute to a sustainable society and achieve sustainable growth for the Company. In order to implement and supervise such management, therefore, we place priority on knowledge and Skills relating to sustainability, including awareness of international trends and understanding of the relevant issues.
Finance/Accounting	To enhance its sustainable corporate value, the Company endeavors to achieve medium- to long-term earnings growth and increase its returns to shareholders while maintaining a healthy balance between investment for growth and a solid financial position. To enable us to make appropriate decisions and properly inform the Company's initiatives to stakeholders as we work forward toward these goals, we need to provide accurate, timely financial reporting. We regard specialized Skills relating to finance and accounting as vital for the implementation and supervision of these tasks.

Legal/Risk Management	We consider three goals to be of key importance in ensuring that the Company achieves sustainable, robust growth: stabilizing performance, strengthening our financial base, and maintaining our corporate reputation. To achieve these objectives, we conduct appropriate risk management using various means. These include assessing and analyzing the risks that accompany commercial transactions, business investments, and other business opportunities; keeping the Company's total Risk-weighted Assets to within our buffer (shareholder's equity); and maximizing Risk-adjusted Return. Accordingly, we place priority on a wide variety of risk management-related skills necessary to achieve these ends, including the ability to screen and monitor transactions, investments, and loans, and expertise in legal and compliance risk management.
HR Management & Development	Regarding human resources as its most important form of business capital, the Company provides each individual with opportunities for autonomous growth and self-realization and strives to upgrade its HR management cycle. Through such efforts, we are maximizing the performance of our diverse talents and the organization as a whole, thereby pursuing our business strategies and creating new value. We particularly emphasize Diversity, Equity & Inclusion, which we recognize as the core enabler for value creation, innovation, and competitiveness. We therefore regard Skills related to HR management and development as important for enabling the Board of Directors to make key decisions on such initiatives and supervise their implementation.

Skills that Directors currently in office possess

Of the Skills identified above as necessary for the Board of Directors as a whole, Skills currently possessed by individual Directors are shown in the table below. The skills of individual Directors are determined after considering all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and specific achievements, and discussing these with the individuals concerned.

* A brief history of each of the incumbent Directors.

Management

Directors (excluding Directors who are Audit & Supervisory Committee Members)

Name	Role (Term of office as Director)	Internal/ Outside	Skills such as knowledge, experience and competencies, etc.						
			Corporate management	Investment/ M&A	IT/DX/ Technology	Sustainability	Finance/ Accounting	Legal/ Risk management	Human resources management & development
Masayuki Hyodo	Director, Chairman (7 years)*	Internal	●	●	—	●	●	●	●
Toshikazu Nambu	Director Vice Chairman (1 year)*	Internal	●	●	●	—	●	—	●
Shingo Ueno	Representative Director, President and Chief Executive Officer (2 years)	Internal	●	●	—	●	—	—	●
Takayuki Seishima	Representative Director, Executive Vice President (6 years)	Internal	●	—	—	—	●	●	●
Reiji Morooka	Representative Director, Executive Vice President (3 years)	Internal	●	—	—	—	●	●	—
Akiko Ide	Outside Director (5 years)	Outside	●	—	●	●	—	—	—
Takashi Mitachi	Outside Director (3 years)	Outside	●	●	—	●	—	●	●

Name	Role (Term of office as Director)	Internal/Outside	Skills such as knowledge, experience and competencies, etc.						
			Corporate management	Investment/M&A	IT/DX/Technology	Sustainability	Finance/Accounting	Legal/Risk management	Human resources management & development
Takahisa Takahara	Outside Director (2 years)	Outside	•	•	—	•	—	—	—
Haruyasu Asakura	Outside Director (1 year)	Outside	•	•	—	—	•	—	—
Nana Otsuki	Outside Director (1 year)	Outside	—	•	—	•	•	—	—

* Apart from the above, Mr. Masayuki Hyodo, served one-year term as Director from June 2016 to June 2017 and Mr. Toshikazu Nambu, served a four- years term as Director from June 2019 to June 2023.

Directors who are Audit & Supervisory Committee Members

Name	Role (Term of office as Director)	Internal/Outside	Knowledge, experience and competencies, etc. (Skills)						
			Corporate management	Investment/M&A	IT/DX/Technology	Sustainability	Finance/Accounting	Legal/Risk management	Human resources management & development
Daisuke Mikogami	Directors (Audit & Supervisory Committee Member) (Full-Time)*1	Internal	•	•	•	—	—	—	•
Kazunari Sakata	Director (Audit & Supervisory Committee Member) (Full-Time)*1	Internal	•	•	—	—	—	—	—

Name	Role (Term of office as Director)	Internal/ Outside	Knowledge, experience and competencies, etc. (Skills)						
			Corporate management	Investment/ M&A	IT/DX/ Technology	Sustainability	Finance/ Accounting	Legal/ Risk management	Human resources management & development
Yukiko Nagashima	Director (Audit & Supervisory Committee Member) (Full-Time)*2	Outside	•	•	—	—	—	—	•
Nobuo Inada	Director (Audit & Supervisory Committee Member) (Full-Time)*2	Outside	—	—	—	—	—	•	•
Taisei Kunii	Director (Audit & Supervisory Committee Member) (Full-Time)*2	Outside	•	—	—	—	•	—	—

*1 Mr. Daisuke Mikogami served as an Audit & Supervisory Board Member of the Company for two years from June 2023 to June 2025, and Mr. Kazunari Sakata served as an Audit & Supervisory Board Member for three years from June 2022 to June 2025.

*2 Ms. Yukiko Nagashima served as an Outside Audit & Supervisory Board Member of the Company for four years from June 2021 to June 2025. Mr. Nobuo Inada and Mr. Yasunari Kunii each served as an Outside Audit & Supervisory Board Member for one year from June 2024 to June 2025.

Currently, 3 of the 15 members of the Board of Directors are female.

Audit & Supervisory Committee Members and the Audit & Supervisory Committee

Roles and Responsibility of the Audit & Supervisory Committee

The Audit and Supervisory Committee, as an independent statutory body entrusted by shareholders, is responsible for overseeing the execution of duties by directors in cooperation with board of directors, in accordance with applicable laws, the Articles of Incorporation, and other relevant regulations. It is expected to carry out its duties appropriately while taking into account the interests of various stakeholders. Through these efforts, the Audit and Supervisory Committee aims to further enhance the corporate governance framework of the Company and its group, and to fulfill its responsibility to society by contributing to sound and sustainable growth and the creation of medium- to long-term corporate value.

Organizational Framework of the Audit & Supervisory Committee

The Audit & Supervisory Committee comprises five members—two Inside Fulltime Audit & Supervisory Committee Members and three Outside Audit & Supervisory Committee Members (including one woman). The Inside Audit & Supervisory Committee Members must have a sincere character, deep insight, and high-level skills as well as specialized business knowledge and a broad range of experience, and the Outside Audit & Supervisory Committee Members must also have a sincere character, deep insight, and high-level skills as well as advanced specialized knowledge, particularly in fields such as corporate management, law, or accounting and extensive experience, and All Audit & Supervisory Committee Members are appointed without regard for gender, nationality, and so on. Among the Outside Audit & Supervisory Committee Members, one is a fulltime Audit & Supervisory Board Member of a listed company and has an experience in business management, and one is a legal expert (a former Prosecutor-General), and the other is a certified public accountant with considerable knowledge of finance and accounting. All of the Outside Audit & Supervisory Committee Members satisfy the criteria on independence set by financial instruments exchanges on which the Company is listed, as well as the Standard for Independence established by the Company.

Ensuring Audit Effectiveness

Each Audit & Supervisory Committee Member, in addition to fulfilling the roles and responsibility as a Director, attends important meetings such as the Management Council, receives reports form Directors and employees, etc. regarding the execution of their duties, asks them for explanations as necessary, inspects important internal authorization documents and examines the status of operations and the financial status regarding the head office and important operating locations. As for subsidiaries, each Audit & Supervisory Board Member promotes communication and exchange of information with Directors and Audit & Supervisory Board Members, etc. of subsidiaries, and receives reports on the subsidiaries' business as necessary.
Full-time Internal Audit & Supervisory Committee Members share information obtained through daily audit activities with Outside Audit & Supervisory Committee Members as appropriate, and strive to ensure the effectiveness of the audits. A specialized organization was established as to support the work of the Audit & Supervisory Committee Members. The Audit & Supervisory Committee Members participate in personnel evaluations and transfers and so on regarding these employees.

Collaboration between the Internal Auditing Department and Accounting Auditors

To ensure audit efficiency, Audit & Supervisory Committee Members interact closely with the Internal Auditing Department, receiving reports on internal audit plans and their results in a timely manner. In addition, Audit & Supervisory Committee Members exchange information with and monitor the auditing activities of the accounting auditors through regular meetings. By attending audit review meetings and observing inventory audits by the accounting auditors, the Audit & Supervisory Committee Members constantly work to improve audit efficiency and quality.

Training and Information Provision for Directors

On taking office, Outside Directors (including Outside Audit & Supervisory Board Members prior to the transition to a company with an Audit & Supervisory Committee in June 2025) have the opportunity to receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business activities, finances, organization, medium-term management plan, and risk management system. To enable Directors and Audit & Supervisory Board Members to acquire the necessary knowledge and update it as appropriate, we additionally provide access to resources including seminars and e-learning facilities, offering financial support to cover the necessary costs.

To deepen their understanding of "Sumitomo's Business Philosophy" and the Company's business activities, Outside Directors (including Outside Audit & Supervisory Board Members prior to the transition to a company with an Audit & Supervisory Committee in June 2025), in principle, visit Sumitomo-related facilities during the first fiscal year of their term in office and have opportunities to observe at least one workplace in Japan and at least one workplace overseas every year. In fiscal 2024, in addition to one Japanese workplace and one overseas workplaces visits, Sumitomo-related facility visits were conducted.

Executive Remuneration Plan

Matters related to policy for deciding the remuneration for individual Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter the same shall apply in this paragraph.)

The decision making policy for the remuneration of individual Directors was resolved at the Board of Directors meeting after deliberation within the Nomination and Remuneration Advisory Committee (chaired by Outside Director), a majority of whose members are Outside Directors.

(1) System for remuneration (● indicates such Director eligible for each type of remuneration)

Type of Remuneration		Director Type		
		Executive Director	Chairman of the Board of Directors/Director, Vice Chairman	Outside Director
Fixed	Monthly Remuneration	●	●	●
Variable	Performance Linked Bonus	●	—	—
	Stock-based remuneration	●	●	—

(2) Ratio and remuneration standards regarding each types of remuneration

The Company will establish an appropriate ratio, etc. between fixed remuneration and variable remuneration which corresponds to Director’s position, (i) by setting an appropriate remuneration standards to acquire and retain highly capable management who will bring about the Company’s sustainable growth and increase of corporate value in the middle to long term, and (ii) to design as healthy incentive to sustainable growth of the Company, based on its business environment, management strategy and human resources strategy, with reference to objective remuneration market research data, etc. provided by external specialized agencies.

(3) Policy and method on the decision of the amount of each remuneration

- Policy on the decision of the amount of each remuneration: as follows
- Method on the decision of the amount of each remuneration: Remuneration of each Directors is resolved by the Board of Directors, taking into account the report from the Nomination and Remuneration Advisory Committee, within the limit resolved at the General Meeting of Shareholders.

		Policy on the decision of the amount of each remuneration	Method on the decision of the amount of each remuneration
Fixed	**Monthly Remuneration**	• Fixed amount remuneration determined based on the abovementioned standards is provided.	—
Variable	**Performance Linked Bonus**	• From the perspective of reinforcing the relationship with its group's management strategy, the total amount to be paid is determined in accordance with the performance management index to be focused on in the medium-term management plan. • The amount to be paid to individual Executive Directors is distributed according to their position and personal evaluation and is paid after the end of the fiscal year. • Each Director is evaluated on the basis of both financial indicators and non-financial indicators.	• The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, set assumed values for each performance management index and decide formula for calculating the performance linked bonuses for individual Executive Directors (for the relevant fiscal year) based on actual values for each performance management index. • After the end of fiscal year, Representative Director, President and Chief Executive Officer (who is delegated such decision by the Board of Directors) shall decide personal evaluations of each Executive Directors regarding the performance management index which is a part of the formula, following meetings with each of Executive Directors, and performance linked bonuses for each fiscal year will be determined as per the formula, within the limit resolved at the General Meeting of Shareholders. • Representative Director, President and Chief Executive Officer will report to the Nomination and Remuneration Advisory Committee about the grading results to make sure that the personal evaluations are appropriate.

		Policy on the decision of the amount of each remuneration	Method on the decision of the amount of each remuneration
Variable	Stock-Based Remuneration	• This remuneration is aimed at promoting efforts at optimizing its business portfolio, increasing corporate value in the medium to long term and to ensure sustainable growth, focusing on the link with indicators related to environment, society and governance (ESG) together with shareholder value. Further, we shall promote to share value with the shareholders. The actual contents and timing of payment of the stock-based remuneration for each Directors is decided by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee.	• The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, decide formula for calculating the stock-based remuneration for individual Executive Directors at the first board meeting of relevant evaluation period based on actual values for each performance management index in several fiscal years. • Nomination and Remuneration Advisory Committee, comprised of Outside Directors, Chairman of the Board of Directors and Representative Director, President and Chief Executive Officer, shall decide personal evaluations of each Executive Directors on the non-financial indicator which is a part of the formula, and report the evaluations to the Board of Directors.

Remuneration system

(1) Executive remuneration plan (● indicates the persons eligible for each type of remuneration, etc.)

Type of remuneration, etc.		Eligibility			
		Executive Directors/ Executive Officers	Chairman of the Board of Directors/Director, Vice Chairman	Outside Directors	Director (Audit & Supervisory Committee Members)
Fixed	Monthly Remuneration	●	●	●	●
Variable	Performance Linked Bonus	●	—	—	—
	Restricted Performance Share Unit-Based Remuneration	●	●	—	—

(2) Remuneration standards and remuneration composition ratios of Executive Directors and Executive Officers

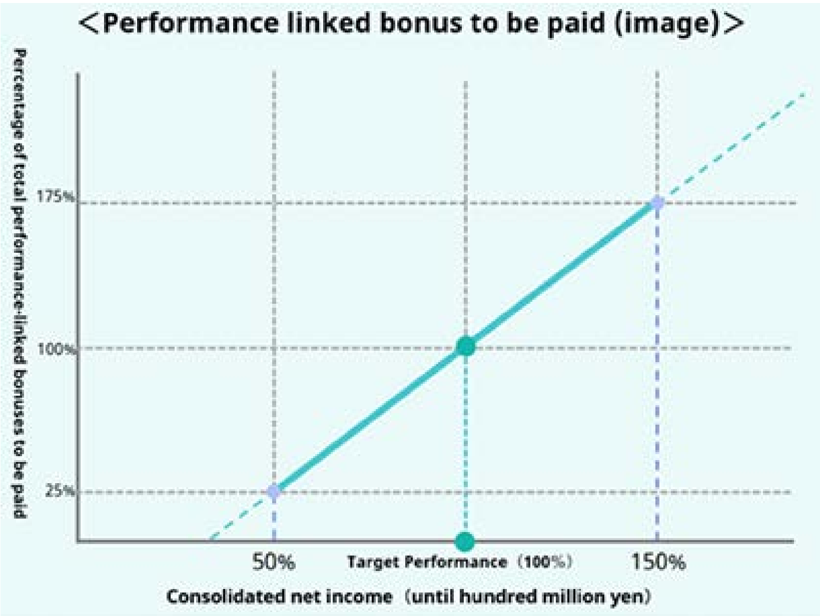
- We have set competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human capital strategy. We have done so with reference to remuneration market research data, etc. provided by independent external specialized agencies.
- We have set the ratio of variable remuneration accounted for by restricted performance share unit-based remuneration to set the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is more concerned than ever before with the Company's stock price and with a focus on sharing value with the shareholders.
- The image of the remuneration of Representative Director, President and Chief Executive Officer is as shown below.

Fixed remuneration	Variable remuneration	
Monthly Remuneration	Performance Linked Bonus	Restricted Performance Share Unit-Based Remuneration
27%	33%	40%
Total 27%	Total 73%	

Note: The above breakdown is calculated based on the rate of achievement of business results, the stock price growth rate, and the results on non-financial indicators all being 100%. The composition ratios for each type of remuneration vary according to changes in these rates.

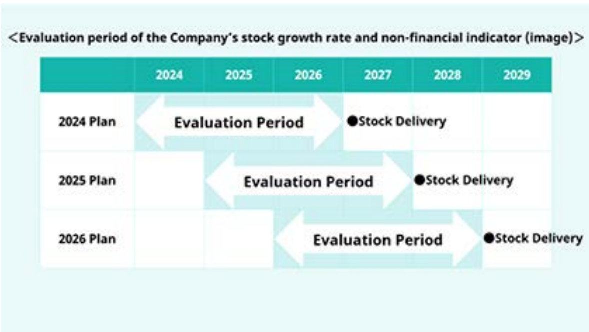
(3) Performance linked bonus

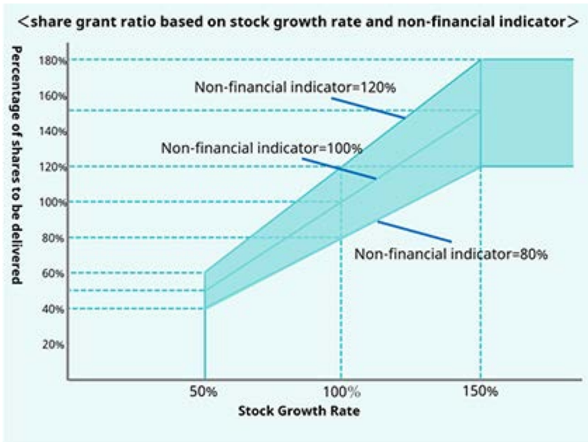
- Each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total amount of performance linked bonuses to be paid according to the rate of achievement of this target business result.
- The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total amount of performance linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results.
- If business results fall outside this range, the total amount of performance linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.
- The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.
- Each officer is evaluated on the basis of both financial indicators (achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (such as individual Strategic Business Units' achievement of the goals, and progress in addressing important company-wide issues) so that they can become more aware regarding their commitment to management strategy and results.
- The ratio of financial indicators to non-financial indicators in personal evaluation is set 50:50, and of evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through digital transformation (DX), enhancement of sustainability management, and promotion of Diversity, Equity & Inclusion.



(4) Restricted Performance Share Unit-Based Remuneration

- With the aim of promoting efforts to increase the Group's corporate value over the medium to long term and pursue business management that ensures a focus on sharing value with the shareholders, the number of the Company's common shares (restricted) to be provided is calculated according to the Company's stock growth rate (ratio of the Company's stock price growth to the growth rate of the TOPIX (Tokyo Stock Exchange Stock Price Index)) during the three-year evaluation period.
- Evaluation based on non-financial indicators (measures to tackle climate change, promotion of women's empowerment, and employee engagement) is used to calculate the number of the Company's common shares to be granted as restricted shares. In this way the Company aims to enable increased awareness of its commitment to the enhancement of sustainability management by linking non-financial indicators (related to environment and/or society) more closely to stock-based remuneration and further promoting efforts to address its Key Social Issues.
- To enable a shared focus on shareholder value over the medium to long term, the restriction period will be from the day the shares are provided until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.





Internal Audit

The Company has established Internal Audit Department to monitor company-wide operations as an independent organization. This Internal Audit Department conducts audits of the Company, its overseas subsidiaries, and domestic and international affiliated companies. Internal audits are carried out based on an annual audit plan, and the results are reported directly to the President and Executive Officer on a monthly basis, as well as regularly to the Board of Directors and the Audit and Supervisory Committee. Audits are conducted periodically in accordance with the International Standards for the Professional Practice of Internal Auditing, covering the overall internal control systems of audit targets, including asset and risk management, compliance, and operational execution. Taking into account the significance of inherent risks at each audit target, the department evaluates the effectiveness and appropriateness of internal controls and provides appropriate recommendations for improvement, thereby contributing to the enhancement of governance and internal controls across the Sumitomo Corporation Group.

Committees

Corporate Strategy Promotion Committee, Global Innovation and Portfolio Committee, Company Investment Committee, Internal Control Committee, Compliance Committee, Corporate Sustainability Committee, and other committees are established as advisory bodies for the Management Council with regard to specific matters that are important from the perspective of Sumitomo Corporation as a whole.

System for Ensuring Management Transparency

Basic Policy on Information Disclosure

To bring an accurate understanding of the Company's management policies and business activities to all our stakeholders, we shall strive to make full disclosure, not limiting ourselves to the disclosure of information required by law but also actively pursuing the voluntary disclosure of information.

Corporate Disclosure Policy

Communicating with Shareholders and Other Investors

Measures relating to the General Meeting of Shareholders

We send out a convening notice describing how to access the material for the General Meeting of Shareholders (for shareholders who requested the delivery of such material in paper, the printed material for the General Meeting of Shareholders) to shareholders approximately three weeks prior to each Ordinary General Meeting of Shareholders. For the convenience of shareholders, we also provide the notice on our corporate website in advance of sending a Notice of Convocation, together with its English-language translation. We allow shareholders and investors sufficient time to thoroughly examine the propositions to be resolved at the Meeting by enabling them to exercise their voting rights via internet (including through the Electronic Voting Platform for institutional investors operated by Investor Communication Japan, Inc. [ICJ]). In addition, we stream the General Meeting of Shareholders live for shareholders on internet and the streaming video of the meeting is posted on our website for a certain period after the close of the meeting. Furthermore, we accept questions from shareholders on internet prior to the General Meeting of Shareholders.

Disclosing Various Information

The IR section of our corporate website provides various materials that may be useful in making investment decisions in a timely manner. These materials include financial results, yukashoken houkokusho (Japanese annual securities reports) and other Tokyo Stock Exchange filings as well as documents from company briefings. Moreover, we endeavor to ensure proactive disclosure of not only financial information but non-financial information as well on our Integrated Report and our Sustainability Website.

Investor Relations and Shareholder Relations

In order to ensure direct communication with shareholders and other investors, we hold quarterly meetings attended by top management to provide information on our financial results for analysts and institutional investors in Japan, as well as one-on-one meetings with them. For individual investors, we hold company briefings online as well as in major cities across Japan. For overseas, we continuously hold one-on-one meetings with institutional investors mainly in Europe, North America and Asia. In addition to these, we ensure regular and constructive engagement with domestic and overseas institutional shareholders who substantially hold the Company’s shares. Such engagement primarily addresses our initiatives and policies, etc. relating to ESG (Environment, Social and Governance) issues. While increasing management transparency, we aim to strengthen our relationships of trust with shareholders and investors.

While working to improve and enhance our corporate governance structure and systems, from the perspectives of "improving management efficiency" and "maintaining sound management" by implementing the measures above, we will continue to further strengthen internal auditing, risk management, compliance, to further improve the effectiveness of internal control.

Status of Compliance with the Japan's Corporate Governance Code

The Company complies all Principles of the Corporate Governance Code. Please refer to Corporate Governance Report for details.

Corporate Governance Report

Policy on Cross-shareholdings and Standards for Exercising Voting Rights

As a general rule, the Company will neither acquire nor hold shares in other listed companies for purposes other than pure investment.

However, the Company may decide to hold shares in listed companies in some exceptional cases when the Company determines that it is appropriate. For such determination, the Company will comprehensively assess and verify the capital cost of individual stocks and the economic rationality and significance of holding the stocks in light of the necessity of partnering or other business needs. Each year, the Board of Directors reviews whether or not the Company's holding of listed shares is appropriate.

If such annual review concludes that specific shareholdings are of little significance, the Company will push ahead with the sale of the shares.

In FY 2024, the Company sold shares of 11 listed stocks (either in whole or in part), amounting to 81.7 billion yen in total. As of the end of March 2025, the Company's shareholdings in listed companies cover 43 stocks, with the total balance of 158 billion yen.

When exercising voting rights, the Company examines various aspects through both quantitative and qualitative approaches in accordance with its own guidelines. Such examination focuses on whether each proposal presented to shareholders will lead to the enhancement of shareholder value and medium- to long-term corporate value of both the Company and the investee company. In this way, the Company tries to make adequate decisions as to whether to vote in favor of or against each proposal based on comprehensive judgments.

If an entity holding shares in the Company for purposes other than pure investment indicates its intention to sell the shares, the Company will, in principle, respect such intention, and the business relationship between the entity and the Company will not be affected.

History of Strengthening Governance

Sumitomo Corporation has worked continuously to strengthen governance. This has included introducing the increasing the number of Outside Officer and evaluating the effectiveness of the Board of Directors. In June 2025, the Company transitioned to a company with an Audit & Supervisory Committee, with the aim of enhancing the effectiveness of the Board of Directors, which is responsible for timely and accurate execution of operations and oversight of decision-making and execution on important matters. In addition, to strengthen the supervisory function, the Board of Directors is composed of 15 members, of whom a majority—8 members—are Outside Directors.

Looking ahead, we will make further efforts toward enhancing the effectiveness of governance by strengthening group governance and reinforcing the functions of the Board of Directors.

1993	Appointed first Outside Audit & Supervisory Board Member
1998	Established the Sumitomo Corporation Group's Corporate Mission Statement
2003	Established the Sumitomo Corporation Corporate Governance Principles
	Reduced the number of Directors (from 24 to 12)
	Introduced the executive officer system
	Specified the term of office of Chairman and President (limited to 6 years) in the Sumitomo Corporation Corporate Governance Principles
	Increased the number of Outside Audit & Supervisory Board Members by 1 to 3 (for a total of 5 Audit & Supervisory Board Members)
2005	Shortened term of office of Directors and Executive Officers to 1 year
2007	Established the Remuneration Committee as an advisory body to the Board of Directors, the majority of whom are outside members
2013	Appointed first 2 Outside Directors
	Specified the term of office of Outside Directors (limited to 6 years) and Outside Audit & Supervisory Board Members (limited to 8 years) in the Sumitomo Corporation Corporate Governance Principles
2015	Reviewed governance and decision-making processes • Management Council became the highest executive-level decision-making body • Enhanced the monitoring function by the Board of Directors • Reorganized the Remuneration Committee as the Nomination and Remuneration Advisory Committee, the majority of whose members are Outside Directors
	Increased the number of Outside Directors by 1 to 3

2016	Began evaluating the effectiveness of the Board of Directors (evaluation period began with FY2015; continues each year)
	Complied with all principles of Japan's Corporate Governance Code (continues each year)
	Increased the number of Outside Directors by 1 to 4
2017	Reduced the number of Internal Directors from 10 to 6
2018	Increased the number of Outside Directors to 5
2019	Revised the counselor and honorary advisor system
	Set the policy and procedure for appointment and dismissal of the President and Chief Executive Officer
	Determined the policy and procedure for appointment and dismissal of the Chairman of the Board of Directors
2020	Began agenda setting for the Board of Directors
2021	Disclosed the skills matrix for Directors and Audit & Supervisory Board Members
2023	Newly established a dedicated department to support Directors
2025	Transition to a Company with an Audit & Supervisory Committee
	Majority composition of Outside Directors

Group Governance

Promoting maximization of corporate value based on the Group Management Policy

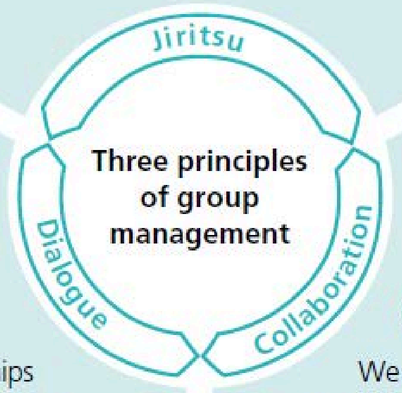
The Sumitomo Corporation Group consists of group companies in various countries and regions . These companies are the source of the Group's strength. Their business domains fall under a wide range of industrial fields, and many of them are industry leaders.
The group companies respect the Sumitomo Corporation Group's Corporate Mission Statement and management strategies, and engage in Jiritsu* management. Our approach to group management is to contribute to important decision-making at Board and other meetings through active dialogue based on relationships of trust as a shareholder, and to create new value through collaboration among group companies including Sumitomo Corporation. For the purpose of sharing and better implementing this basic approach and policies within the Group, we established the Group Management Policy (GMP) in 2021.
The GMP clarifies the roles and responsibilities in group management, setting forth the three principles of Jiritsu, dialogue, and collaboration to be respected by Sumitomo Corporation and its group companies.
The values set forth in the Sumitomo Corporation Group's Corporate Mission Statement and the GMP are shared and implemented within the Group. This allows us to swiftly and appropriately respond to industry structural transformation and trends surrounding sustainability and to grow our group companies into future earnings pillars, thereby further solidifying the Group's business portfolio and maximizing corporate value.

* Jiritsu is a Japanese term. In the GMP, we define it to mean "following the rules necessary for the management of a Sumitomo Corporation Group company, such as the Sumitomo Corporation 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."

Three principles of the GMP

Jiritsu

On a foundation of respect for the management principles and strategy of the Group, our group companies build and execute their own business strategies and plans. With management based on the Jiritsu mindset as a foundation, each group company adopts a management system appropriate to its circumstances.



Dialogue

We build trust-based relationships through active dialogue with and among our group companies. Relying on the strength of these relationships, Sumitomo Corporation acts through directors at each group company to maintain involvement in important decision-making and to monitor business performance, providing advice where appropriate.

Collaboration

We work together to make the most of the diverse management resources within the Group, realizing new value that would not be possible by working alone.

Compliance

Basic Policy

Basic Compliance Policy

The basis for the Sumitomo Corporation Group's compliance is to win the trust of society by practicing the Activity Guideline that states "to comply with laws and regulations while maintaining the highest ethical standards."

Accordingly, we follow our principles of "Giving First Priority to Compliance," which means that compliance takes priority over all activities of the Group and that we must never violate compliance as a result of giving priority to the pursuit of profit, and "Reporting Compliance Issues Immediately" or "Immediate Report," which means, in the event of a compliance problem, employees must report the situation without delay to their line manager, including the management level personnel, or to the relevant department of the Corporate Group.

Sumitomo Corporation Group Compliance Policy

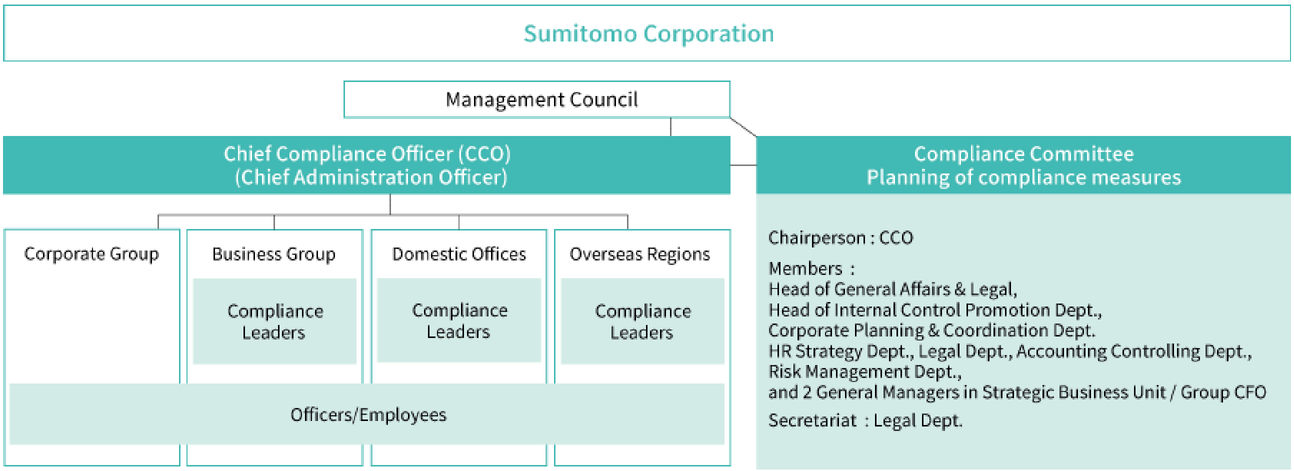
The Sumitomo Corporation Group Compliance Policy was developed in March 2019 upon approval and under supervision of the Board of Directors, based on the previous Compliance Guiding Principles to clarify and adopt the basic policy above throughout the Group. Educational programs, such as seminars and e-learnings, are provided on a continuing basis with the aim of spreading and ensuring the adoption of the policy throughout the Group. Sumitomo Corporation also has the Compliance Manual in place and will review its effectiveness and propriety on a regular basis and revise the content of the Manual as necessary.

Sumitomo Corporation Group Compliance Policy

Compliance Management System

Aiming for more agile responses to compliance issues which arise in the Group, Sumitomo Corporation appoints a Chief Compliance Officer (CCO), who has ultimate responsibility for compliance. Further, the Compliance Committee, which plans compliance measures, includes not only the Head of the Department in Corporate Group but also the general managers of Strategic Business Unit of the Business Group, enabling it to examine such measures in a multifaceted way that reflects our actual business operations.

Our Group will actively continue to establish and improve the internal systems that realize our principle of "Giving First Priority to Compliance."



Speak-Up System

Overview of Speak-Up System and Various Points of Contact

Our internal rules stipulate and ensure that any issues or potential issues in relation to compliance must be reported immediately to their line manager, including the management level personnel, or to the relevant department of the Corporate Group (Immediate Report). Such issues include not only the violation of antitrust/competition laws or anti-bribery/corruption laws but also workplace misconduct, falsification of accounts, or harassment. Upon occurrence of such issues, we use collective efforts of the relevant departments and promptly take the optimum actions and measures on a case by case basis.

If reporting through the usual reporting line is difficult for some reason, we maintain a "Speak-Up System" * available to officers and employees, who face an issue, to report it to the Chief Compliance Officer through an internal or external hotline since November 2000.

* Sumitomo Corporation calls so-called whistleblowing system as "Speak-Up System." We use the term "Speak-Up" to positively encourage officers and employees "to have the courage to tell even a delicate subject" and believe that it is an appropriate expression for one of our compliance systems.

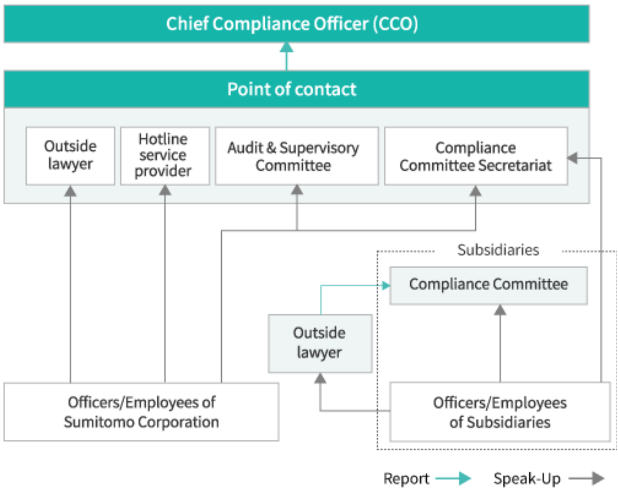
Our Speak-Up System provides, in addition to the Chief Compliance Officer (Compliance Committee Secretariat), various points of contact such as hotline service providers, outside lawyers, and Audit & Supervisory Board Members, and it accepts any information report made by any of our officer and employee (including contract workers, dispatch workers and secondees, etc.) and any person who used to be our officer or employee within one year before the day on which the information report is made.

Status of Operation and Encouragement of Use of Speak-Up System

Under the Speak-Up System, an information report can be made anonymously, and the fact and details of the report are maintained in the strictest confidence, and it is ensured that the whistle-blower is not subject to disadvantageous treatment for making the report.

In the fiscal year 2024, the Compliance Committee of Sumitomo Corporation accepted 50 Speak-Up reports,* and we settle each case appropriately after the fact-finding under the directions and instructions of the Chief Compliance Officer.

* The number of the Speak-Up reports herein does not include the number of “Immediate Report” submitted. As stated above, our Group basically adopts “Immediate Report” and ensures “Immediate Report” throughout the Group. Therefore, any issues or potential issues in relation to compliance are reported to the management revel mainly under “Immediate Report” system (reporting through the usual reporting line), and we use collective efforts of the relevant departments and promptly take the optimum actions and measures on a case by case basis.



Speak-Up System

Inquiries or reports submitted by outsiders through “Inquiry” etc on our website are handled by an appropriate department depending on the nature of the inquiry or report.

We take measures, including those listed below, to encourage the use of the Speak-Up System and to explain simply how the maintenance of strictest confidence and prohibition of disadvantageous treatment is ensured in practice in the Speak-Up reporting cases, thereby aiming at the improvement of the environment to ensure that the System can be used without worry.

- Seminars for officers and employees
- Posting on the Intranet of, Q&As of the Speak-Up System, motion video for informing of the Speak-Up System, and detailed explanations about the operation of the System for officers and employees
- Distributing messages from Chief Compliance Officer to officers and employees
- Distributing to all officers and employees "Speak-Up Cards" with an overview of the System as well as the contact details for the hotline
- Posting of posters about the Speak-Up System on all floors of our office and the Intranet, and other measures

The status of the operation of the Speak-Up System is periodically reported to the Compliance Committee, the Management Council, the Audit & Supervisory Board and the Board of Directors.

Operation of the SC Global Speak-Up system

The group-based Speak-Up system, which enables officers and employees of group companies both in and outside Japan to report compliance-related issues, has also been established and operated. We accept reports in 16 languages under this System.

Appropriate responses to compliance violations and preventive measures

In case of a compliance problem, the Company, primarily through the Legal Department with the aid of external specialists when necessary, and in cooperation with relevant departments in and outside of Japan, promptly takes steps to establish the facts and clarify the causes of the incident. Based on the outcome, we take corrective measures, disciplinary action, and recurrence preventive measures.

The Compliance Committee Secretariat annually keeps records of the details of the circumstances of compliance violations in the Group. These are analyzed, evaluated and used to plan future compliance measures. The results and details are deliberated at meetings of the Compliance Committee and then reported to and discussed by the Management Council, the Audit & Supervisory Board, and the Board of Directors. Thus, through this process of repeatedly improving and enhancing such measures while using the Plan-Do-Check-Action cycle, we strive to increase awareness of and ensure compliance throughout the Group.

Continuous education program initiatives

The Compliance Manual, which explains particularly important issues, such as compliance of competition law, security trade control and anti-bribery/corruption, is communicated to all officers and employees of Sumitomo Corporation.

Both in Japan and overseas, we implement various education programs for each class of employee, such as new comers, newly appointed general managers, and newly appointed corporate officers, as well as provide e-learning programs about the theme according to the current situation for all officers and employees (including secondees and overseas workers) of Sumitomo Corporation every year, in order to promote and deepen understanding of the Sumitomo Corporation Group Compliance Policy and the Compliance Manual.

We also obtain the written pledge ensuring thorough compliance from all officers and employees of Sumitomo Corporation once a year, to confirm our Group's Activity Guideline that states "to comply with laws and regulations while maintaining the highest ethical standards." In addition to these regular activities, we hold seminars and training sessions on an ongoing basis as required under a specific theme, such as anti-bribery/corruption, compliance of antitrust law and subcontract law, security trade control, prevention of insider trading, and elimination of harassment.

In Business Group, Domestic Offices, and Overseas Regions, we provide relevant compliance training sessions, under the leadership of a compliance leader, depending on the characteristics of the Group or Region, thus engaging in attentive education program initiatives. We also implement a variety of support measures to reinforce compliance systems at Group companies, including deployment of e-learning content on the Sumitomo Corporation Group Compliance Policy to Group companies.

Anti-bribery/corruption initiatives

Based on the principle of "Giving First Priority to Compliance" and as stipulated in the Sumitomo Corporation Group Compliance Policy, the Group implements strict measures to prevent all forms of corruption. Specifically, we have established the Rules for Prevention of Bribery of Public Officials, which regulate the provision of entertainment, gifts, invitations, and donations to domestic and foreign public officials as well as the selection of agents, and conduct required internal review. In addition, taking into account revisions to the laws and regulations of each country, and advice from various external specialists, and changes in other social circumstances and other factors, we continuously review our internal rules, guidelines, and manuals. Further, we extend these rules and manuals to overseas offices and Group companies and encourage them to establish and implement a system appropriate for the bribery risk level of each company, and we also offer ongoing employee education, such as internal seminars, and work constantly to prevent bribery and corruption in Japan and overseas.

The Group's principles and policies in this regard are summarized in the Sumitomo Corporation Group Anti-Corruption Policy (enacted and announced in 2017). This Policy includes the following statement: "The Sumitomo Corporation Group will not commit bribery or conduct any activity raising the suspicion of bribing Japanese government or other public officials; and will as a principle prohibit its officers and employees from providing such officials with entertainment, gifts, or the equivalent. It will not make any offer, payment, promise to pay, or authorize the payment of any money or anything of value to any foreign government or other public official, for the purpose of influencing any act or decision of such official in order to assist it in obtaining or retaining business." This statement declares the Group's principles in relation to preventing bribery. Furthermore, through this Policy, we explain our anti-bribery system and our initiatives for the prevention of bribery to our business partners, and request their understanding and cooperation.

Sumitomo Corporation Group Anti-Corruption Policy

Measures for ensuring compliance with laws concerning antitrust and fair competition

We stipulate our policy for compliance with laws concerning antitrust/fair competition in the Sumitomo Corporation Group Compliance Policy and the Compliance Manual. We have also published a separate manual concerning antitrust/competition laws for our officers and employees that describes key considerations in daily dealings. Additionally, we endeavor to ensure, by measures such as regular internal training, that antitrust/competition laws are observed.

Security trade control and logistics compliance

As an integrated trading company, Sumitomo Corporation regularly implements various measures, on a continuing basis, to ensure that we comply with treaties and international frameworks related to international trade, as well as Japanese laws and regulations related to trading activities. Our group companies do likewise. We implement various measures related to security trade control to prevent weapons or products and technology for civilian use that could be converted to military use from falling into the hands of states or non-state organization (terrorists) which may develop weapons of mass destruction. We also provide internal rules, manuals, and guidelines, and provide training sessions, instructions and monitoring as needed to ensure compliance with laws and regulations related to tariffs and customs as well as those related to public order and safety.

Prevention of insider trading

To prevent violations of insider trading regulations related to our business activities as well as personal dealings by our officers and employees, we have established "Rules for Prevention of Insider Trading" as well as internal checking systems from various perspective. To ensure compliance with insider trading regulations as well as internal rules, we also provide, on a regular basis, internal training courses and other activities to raise awareness.

The Sumitomo Corporation Group Tax Principles

The Sumitomo Corporation Group established the “Sumitomo Corporation Group Tax Principles”, which sets forth its basic stance and code of conduct regarding taxation, under the supervision of the Board of Directors at 2018. According to the principles, the group will adhere to the tax and related laws and regulations of each country, will not conduct any transaction whose purpose is solely or mainly for tax avoidance or tax mitigation, and will endeavor to enhance tax compliance.

- Sumitomo Corporation Group Tax Principles

Risk Management

We define "risk" as "the possibility of losses due to the occurrence of anticipated or unanticipated situations," and also as "the possibility of not achieving the expected return on business activities." We have set the following three items as the goals of our risk management activities.

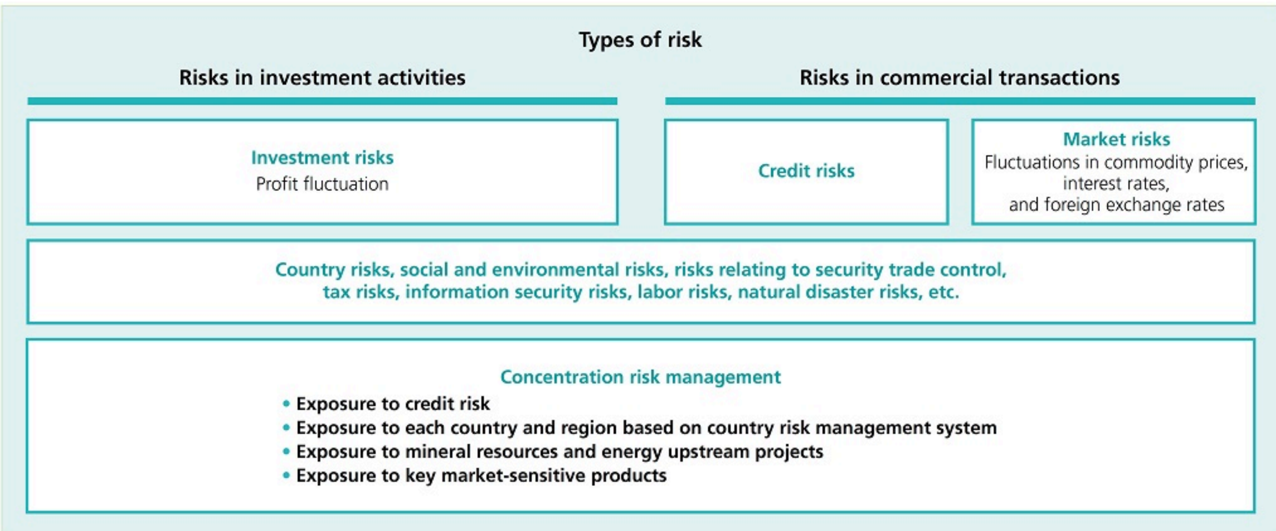
1. Stabilize Performance：Minimize discrepancies between the plan and actual results and secure stable profits
2. Strengthen Financial Base：Maintain Risk-weighted Assets within the buffer (shareholders' equity)
3. Maintain Corporate Reputation：Fulfill CSR requirements and preserve corporate reputation

We categorize our business activities into investments and commercial transactions, identify both common and category-specific risk factors and analyze and evaluate probability and impact of the risk factors. By actively introducing advanced methods and processes, we have created an effective risk management framework that anticipates changes in the external environment.

Our goal is to implement the best practice in risk management while maintaining the flexibility to adapt to changes in the business environment. The business environment is continually altering, and new business models that we could never have imagined are emerging on a daily basis. To respond to this situation in a timely and effective manner, we are working to evolve our risk management activities under the leadership of senior management.

As an example, we have established rigorous investment discipline as the common basis of judgment for selecting more appropriate investments among diverse investment opportunities in a wide range of business domains. At the same time, we have established an optimal governance system for increasing the value of each business after investment and introduced an incentive plan linked to investment performance.

Types of risk in investment activities and commercial transaction



Selective investment & strengthening of post-investment value creation

Taking into account the changes in the overall portfolio and the nature of the risks involved in each individual investment opportunities, we have adopted a unified management framework that covers everything from the entrance to the exit of the investment, while reviewing the process for assessing and following up on investment projects as appropriate.

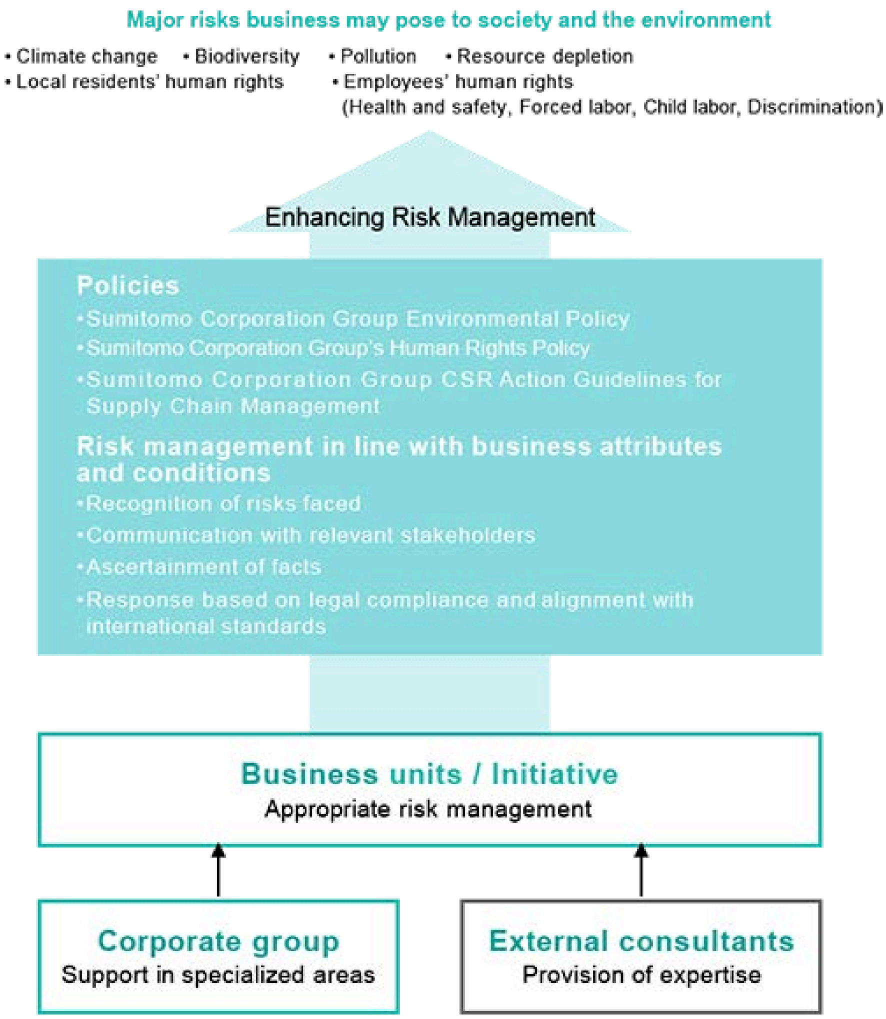
When assessing investment projects, we clarify the “investment theme” from the initial stage of the process and focus on verifying its appropriateness as a key point of due diligence. In addition, by applying a discount rate appropriate to the risk of the businesses, we calculate the “appropriate price” of the investment target and evaluate the opportunity from both quantitative and qualitative aspects.

Depending on the scale and importance of the project, decisions on investment matters at each stage of consideration and execution are made at meetings of the Company’s Management Council and its advisory body, the Company Investment Committee, or the Group Management Council, which is a decision-making body in each Business Group. From an early stage, these institutions conduct in-depth discussions from a variety of perspectives on the various factors that may affect the success or failure of investments, such as strategic positioning of the project, background to and reasoning behind project selection, assumptions and certainty of post-investment value-enhancement measures, and ESG issues.

In addition, we have enhanced the mechanisms for improving the probability of investment success at each investment stage. We will increase the value of each business by steadily implementing measures, including the establishment of strict investment discipline for selecting investments, the development of an optimal governance system for increasing the value of each business after investment, the review of strategies and the formulation of medium-term plans for addressing changes in the external environment, and the timely and appropriate investment of resources. Furthermore, to increase our commitment to value enhancement, we introduced a new compensation system linked to the investment performance in 2022. Strengthening our monitoring efforts, we set a clear timeline for business investments that do not increase in value as expected and implement improvement measures. We will continue to thoroughly replace assets where improvement is not materialized as planned.

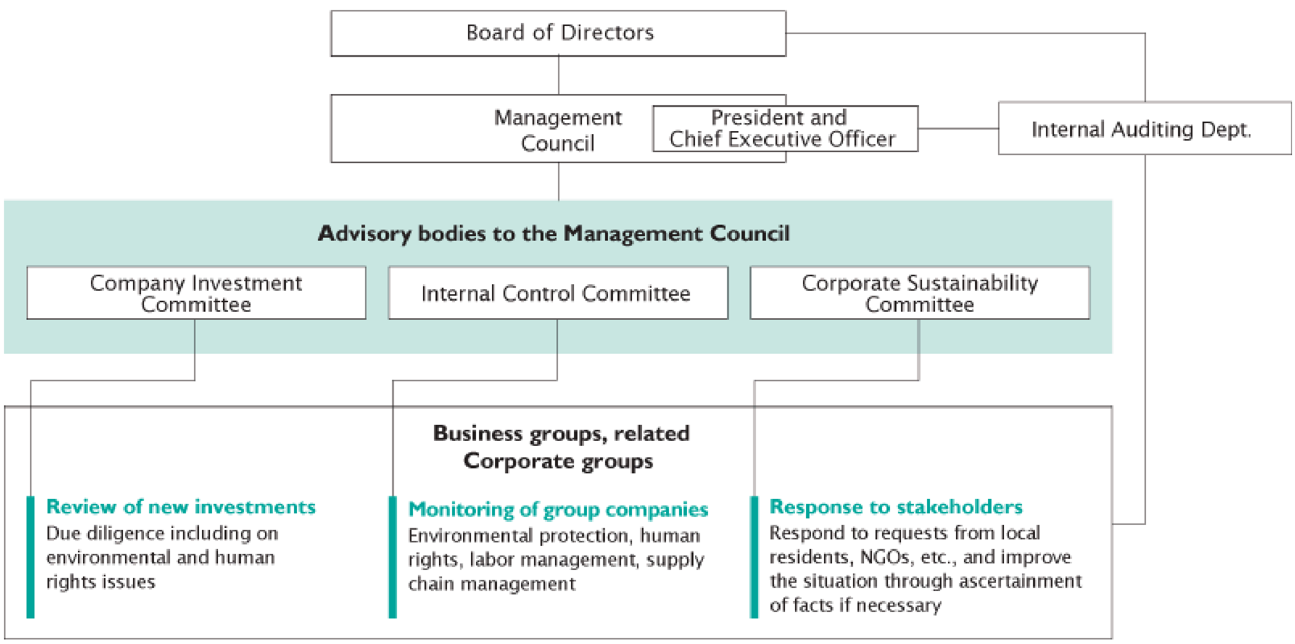
Basic Principles on Social and Environmental Risk Management

The Sumitomo Corporation Group operates businesses dealing in different products and business models in various regions of the world and its business activities have a variety of impacts on the global environment and on different stakeholders such as local communities, business partners, and our officers and employees. To achieve sustainable growth together with society, we work to control the social and environmental impacts of each business of the Group, and, by monitoring its entire supply chain, to ensure that the impact of the associated business activities is not a threat to people's lives or the global environment and does not constrict the sustainability of our management. As the basis for these initiatives, we have established Environmental Policy, Human Rights Policy and CSR Action Guidelines for Supply Chain Management to clarify our approach to social and environmental issues in the Group's business operation. Because the impact of each business on society and the environment and the nature of the risks requiring management focus differ depending on the products dealt with, the business type and the region where it operates, risk management needs to be adapted to the specific character of the business. Specifically, for each of our businesses, we obtain the relevant data, including information on its interface with society and the environment and the associated risks. In addition, we ascertain whether serious issues are present by maintaining communication channels with local communities, employees, and other stakeholders, and check not only that the business is legally compliant across the range of social and environmental issues but also that its response in the area complies with international standards on the environment and human rights. Within the Sumitomo Corporation Group and its diverse range of businesses, the responsible business department of individual businesses and the related corporate departments are working jointly to raise the standard of social and environmental risk management groupwide, utilizing the knowledge of outside experts.



Framework for Social and Environmental Risk Management

The Sumitomo Corporation Group has established a companywide framework to perform appropriate monitoring of the social and environmental impact of the Group's entire business activities. When we conduct business due diligence of new investments, we also asses both environmental and social risks associated with the business. To enhance the efficiency of the risk management process, we have prepared a self-assessment sheet that includes risk information described in SASB standards and other sources on relevant social and environmental risks to be used at the time of investment application to identify anticipated risks and opportunities with respect to the nature and regional characteristics of each business. Our decision-making mechanism in Company Investment Committee then takes into account impacts on society and the environment. As follow-up to the investment, the responsible business department and related corporate departments work together through dialogue with group companies to carry out regular monitoring from the viewpoint of the environment, human rights, labor management, the supply chain, and other aspects. If an issue arises, remedial action is taken in line with the specifics of the case. Internal audits that take into account special characteristics of the business are used to confirm that management operations are legally compliant and meet international standards on social and environmental issues. When a case relating to the impact of the Sumitomo Corporation Group's business activities is referred to by a local community, a non-governmental organization (NGO), or another stakeholder, we ascertain the facts and engage in dialogue and discussion toward improvement. In addition, we have enhanced our engagement activities through dialogue with stakeholders and rights holders of our material businesses with respect to social and environmental risks. If, as a result of this process of review and monitoring of investments, an important social or environmental risk is confirmed, we actively consider appropriate responses, based on advice from external specialists if necessary, and the individual response is reported or referred for further discussion to the Management Council and the Board of Directors through the relevant internal committees.



Information Security

Basic Policy and System

Recognizing the importance of information security, Sumitomo Corporation, led by the IT Strategy Committee chaired by the Chief Information Officer (CIO), has established an Information Security Policy and other relevant regulations, and works to ensure information security and the appropriate management of information assets. For personal information, we operate a Privacy Policy and have put in place relevant regulations and organizational structures to ensure appropriate protection.

Information Security Policy

1 **Recognition of Information Security**

Sumitomo Corporation acknowledges the importance of ensuring information security, and wishes to further enhance the company's trustworthiness in its business operations. Therefore, Sumitomo Corporation shall implement appropriate measures including, but not limited to, the establishment and maintenance of relevant rules and guidelines so as to responsibly manage information assets on a consolidated basis globally and shall review them regularly.

2 **Compliance**

Sumitomo Corporation shall comply with any applicable local, regional, national and international laws and regulations in relation to information security.

3 **Management of Information Assets**

Sumitomo Corporation shall preserve confidentiality, integrity and availability through responsibly managing all information assets including personal data, and shall take all reasonable precautions in order to prevent unapproved disclosure, loss or impairment of such data.

4 **Response to Information Security Incidents**

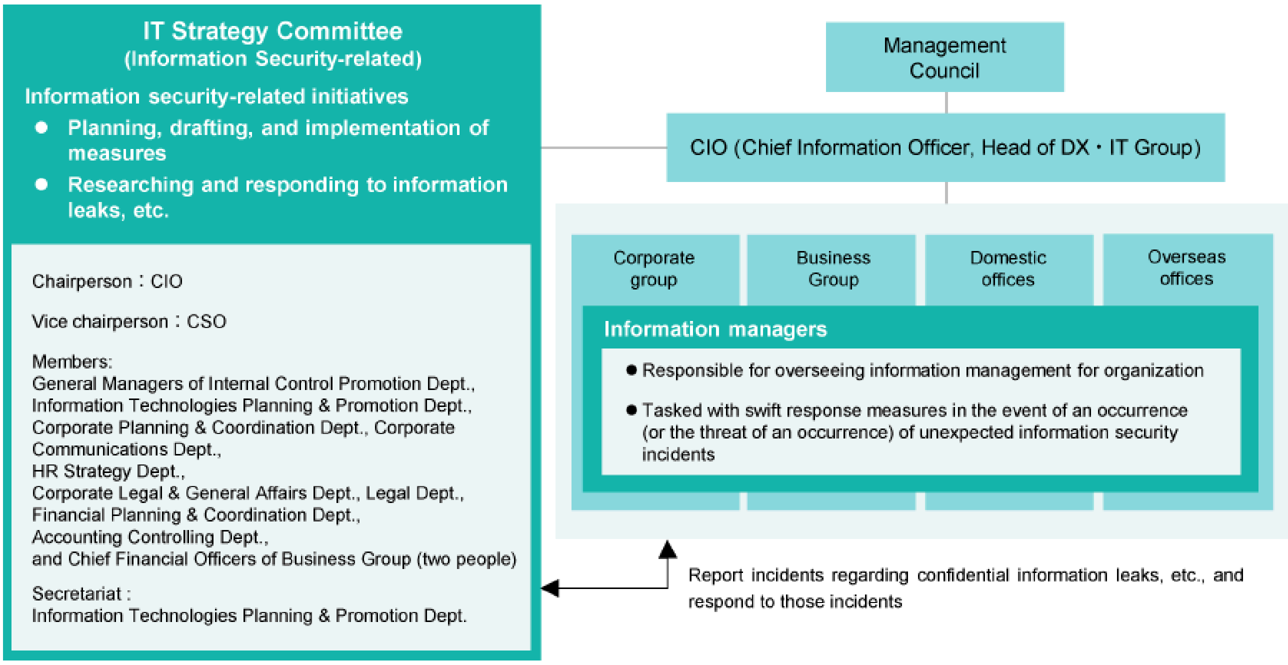
Whilst making the utmost endeavour to prevent information security incidents from occurring, in the unlikely event such an incident should occur, Sumitomo Corporation shall respond promptly to the incident and implement whatever preventive measures are necessary to avoid recurrence.

5 **Awareness Education of Information Security**

Sumitomo Corporation shall regularly promote and maintain the provision of information security education including, but not limited to, further heightening the awareness of the importance of responsibly managing information assets.

We also take steps to minimize the risk from unexpected situations involving information security, such as external attacks aimed for instance at theft or destruction of corporate information through collaboration with external specialized agencies. In addition to system-based safeguards, we conduct continuous training and drills for officers and employees and system monitoring and upgrades covering our major subsidiaries and other group entities.

Furthermore, we have assigned information managers to each organization. These people classify information assets according to their importance and provide instructions on how to handle them, thereby ensuring overall information security.



Privacy policy

Internal Control

Basic Policy and System

To realize sustainable growth and development, the Sumitomo Corporation Group is working on enhancing group governance and improving the overall quality of groupwide operations through the development, operation, evaluation, and improvement of appropriate internal controls. We have established basic regulations on internal controls to reasonably ensure compliance with laws and regulations related to business activities, safeguarding of assets against loss, effectiveness and efficiency of operations, and reliability of financial reporting in the Group's overall businesses.

To ensure efficient operation of existing internal control frameworks, create synergy, and coordinate with internal audit functions, the Internal Control Promotion Department, which takes on overall control of the Group's internal control-related operations, has been established alongside the Internal Auditing Department under the Head of Internal Control and Internal Audit Group. By actively identifying issues and utilizing internal control activities within the Group, the department will promote greater effectiveness and consistency of the above efforts throughout the Group.

Internal Control System

The Company's Board of Directors resolved and implemented the systems set forth in the Companies Act and the Regulations for Enforcement of the Companies Act (internal control system) to realize the high effectiveness of internal control of the Company. The Company will endeavor to establish a system in line with requests from time to time based on ongoing reevaluations by reviewing the Company's internal control implementation status each year.

Internal control system which is resolved by the Board of Directors and an overview of our internal control systems and their implementation status are provided below. Moreover, the Internal Control Committee assessed the implementation of the internal control systems, confirmed that these internal control systems were functioning effectively, and reported this fact at the Board of Directors' meeting.

- Internal Control System (as of April 1, 2024)
- Internal Control System (as of June 20, 2025)
- An overview of the Company's internal control systems and their implementation status

Financial Reporting

The Company prepares its consolidated financial statements in accordance with the Accounting Policy Manual that lays out the Group's internal policies for accounting and discloses the information in a timely and appropriate manner and in compliance with relevant laws, regulations, and accounting standards.

For its internal control over financial reporting, the Company acts in accordance with the Internal Control Reporting System stipulated in the Financial Instruments and Exchange Act, which is in line with COSO（The Committee of Sponsoring Organizations of the Treadway Commission）Internal Control-Integrated Framework, by promoting internal control activities as required by the Act, and evaluating and improving its business processes.

Internal Audit

The Company has established Internal Audit Department to monitor company-wide operations as an independent organization. This Internal Audit Department conducts audits of the Company, its overseas subsidiaries, and domestic and international affiliated companies. Internal audits are carried out based on an annual audit plan, and the results are reported directly to the President and Executive Officer on a monthly basis, as well as regularly to the Board of Directors and the Audit and Supervisory Committee. Audits are conducted periodically in accordance with the International Standards for the Professional Practice of Internal Auditing, covering the overall internal control systems of audit targets, including asset and risk management, compliance, and operational execution. Taking into account the significance of inherent risks at each audit target, the department evaluates the effectiveness and appropriateness of internal controls and provides appropriate recommendations for improvement, thereby contributing to the enhancement of governance and internal controls across the Sumitomo Corporation Group.

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