

Sumitomo Corporation Group

Slavery and Human Trafficking Statement for the Fiscal Year 2018

Sumitomo Corporation (SC) Group is committed to improving its practices to combat modern slavery and human trafficking. This statement has been published in accordance with [the UK Modern Slavery Act 2015](#) and constitutes SC Group's modern slavery and human trafficking statement for the fiscal year 2018 ended 31 March, 2019. The statement has been approved by the board of directors of SC as the parent company of SC Group every year. This statement was approved by the board of directors of SC on August 28, 2019.

Background and organisational structure

SC Group is an integrated corporate group committed to business activities in a wide range of industries with around 130 offices and subsidiaries in over 60 countries and a network of over 900 group companies worldwide. With its global network and based on trust from companies in various industries and from consumers, SC Group engages in multifaceted business activities by making the most of its Integrated Corporate Strength. These business activities include sales of a variety of products and services within Japan, import and export, trilateral trade, and domestic and international business investments. SC Group employs over 60,000 people.

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

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

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

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

SC Group also identified its "[Six Material Issues to Achieve Sustainable Growth with Society](#)" in 2017, a set of social issues that SC Group regards as important and should prioritize addressing through its business activities as well as the challenges SC Group needs to overcome in creating solutions. SC Group positions these material issues as an important factor in developing business strategies and in the decision-making process for individual businesses.

SC Group takes its commitment to tackling modern slavery and human trafficking very seriously. We set out below the steps SC Group has taken to help ensure that modern slavery and human trafficking are not taking place in SC Group's business or supply chains:

Action Guidelines for Supply Chain Management

SC 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, business partners and contractors, etc. to achieve responsible value chain management. As part of these guidelines, SC Group sets out its values to "Respect human rights and not to be complicit in human rights abuses" and to "Prevent forced labor, child labor and the payment of unfairly low wages." These principles establish the overarching guidelines encompassing our commitment to combating modern slavery and human trafficking.

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

Enhancement of SC Group Governance

In order to embody "Reinforcement of Management Bases" in [the Medium-Term Management Plan 2020](#), SC Group is working on "Enhancement of SC Group Governance" aiming to improve business quality and corporate value through internal control for all consolidated subsidiaries. Specifically, we have introduced a governance framework that uses SC Group standard tool called Basic Elements to visualize the internal control status of each group company and solve issues identified through "dialogue" with the parent company.

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

Active commitment to the UN Global Compact

SC signed [the UN Global Compact](#) and declared its support for the 10 principles in March 2009 as the parent company of SC Group. This international sustainability related initiative shares the same values as our Corporate Mission Statement. With our participation in the Global Compact, SC has committed itself to further increasing corporate value by constantly seeking out areas of its business activities that can be improved in light of the values advocated by the 10 principles. The UN Global Compact has been referred also through the internal auditing process of SC Group.

In addition, SC actively participates as a Board Member of the Global Compact Network Japan, a local Global Compact network.

Training

SC, as the parent company of SC Group, provides numerous opportunities to promote the understanding and entrenchment of [the Action Guidelines](#). In the fiscal year 2018, we have held training sessions for 162 new employees, 52 new team leaders and 281 locally hired employees.

Furthermore, in order to disseminate our knowledge and raise our awareness especially about modern slavery, we have utilized an American NGO's free e-learning courses, which are Verite's on Supply Chain Accountability on forced labor and human trafficking as a useful training material, which is one of the referred tools on ['Transparency in Supply Chains: A Practical guide' published by UK Home Office](#).

Checklists and business unit reviews

In addition to SC's training programmes, we have created checklists for business units to review from a sustainability perspective our own business activities as well as those of related parties in our supply chains, such as suppliers, subsidiaries and associated companies, business partners, and contractors, etc. Since SC conducts a wide range of business in multiple sectors, the associated risks vary, however the eradication of any instances of modern slavery and human trafficking remains a key priority.

Drawing on the knowledge and skills acquired through SC's training programme, business units identify specific parts of their business and supply chains to undergo review. The associated risks are evaluated with regard to the context in which those business units operate. This includes, for example, an analysis of areas where the incidence of modern slavery and human trafficking is likely to be higher.

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