

SUMITOMO CORPORATION GROUP

Slavery and Human Trafficking Statement for the Fiscal Year 2016

This statement is made pursuant to section 54 (1) of the UK Modern Slavery Act of 2015, which was adopted on 29 August 2017 by the Board of Directors of Sumitomo Corporation (SC) as the parent company of SC Group for its strict application throughout the SC Group, its business and supply chain for the fiscal year 2016

This statement is hereby endorsed by Suomen Rakennuskone Oy as company statement.

Background and organisational structure

SC Group is committed to improving its practices to combat modern slavery and human trafficking.

SC Group is an integrated corporate group committed to business activities in a wide range of industries with over 130 offices and subsidiaries in over 60 countries and a network of over 800 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 65,000 people.

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

<http://www.sumitomocorp.co.jp/english/company/>

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 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.

Identification of SC Group’s Material Issues

SC announced the identification of its “Six Material Issues to Achieve Sustainable Growth with Society” in April 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.

These material issues were defined based on Sumitomo’s Business Philosophy and the SC Group’s Corporate Mission Statement. Going forward, SC Group will position these material issues as an important factor in developing business strategies and in the decision-making process for individual businesses.

<Issues that SC Group should prioritize addressing through its business activities>

- Achieving harmony with the global environment
- Contributing to the development of local communities and industries
- Establishing a foundation for comfortable and enriching lifestyles
- Providing diverse “Accessibility”

<The challenges SC Group needs to overcome in creating solutions>

- Developing human resources and promoting diversity
- Enhancing governance

SC Group will continue to help ensure that modern slavery and human trafficking are not taking place in SC Group’s business or supply chains through enhancing governance.

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 and workshops

SC, as the parent company of SC Group, provides numerous opportunities to promote the understanding and entrenchment of the Action 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 executive managers being sent on overseas assignments.

In the fiscal year 2016, we have held training sessions for 157 new employees and 208 locally hired employees, around 10 meetings with all business units, and more than 40 briefings with executive managers on overseas assignments.

Furthermore, in our efforts to tackle the issue of human rights abuses (including modern slavery and human trafficking), SC has invited external experts to host interactive workshops twice in October 2016, in order to provide hands-on training on how to assess the risks of being involved in human rights abuses in SC's supply chains. Attended by 49 employees, the workshops offered lectures on such topics as the relevance of human rights to corporations and case studies of corporate human rights abuses. The participants were then divided into groups to undergo hands-on training composed of four steps: 1. business analysis, 2. identification of relevant human rights issues, 3. analysis of risks encountered with the particular type of human rights issue, and 4. consideration of countermeasures.


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 and specialised meetings, 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.

September 18, 2017



Yasuaki Shigemura
BOD's member
Suomen Rakennuskone Oy