



Global HR Management Policy

AGENDA

1. Introduction

2. Global HR Management Policy

3. Going forward

WHAT IS IT?

- ✓ States the vision and the mindset we value in HR management on a global basis, serving as guiding principles for individual HR initiatives.
- ✓ We would like to promote it within SC Group, and externally as well, aiming to be recognized as a place to take on challenges by diverse talents world-wide.
- ✓ To realize the objectives of this policy, our action plans will vary according to the specific requirements and circumstances in each country, region and business environment.

WHY WE NEED IT?

“HR transformation” needed in this rapidly changing competitive business environment:

- ✓ HR initiatives seen as inconsistent
- ✓ vision/philosophy/intention behind specific initiatives not always understood by employees
- ✓ In addition to updating the HR foundation, need to change culture, mentality/behavior of people deeply embedded in organization, while recognizing strengths and core values of SC.
- ✓ Too unique to be global standard, strengthen global HR operation
(\Leftrightarrow think global, act local)

KEYWORDS WE CONFIRMED

- ✓ “Semi - universal”
- ✓ Simple + Inspiring
- ✓ Good balance between “Aspirational” vs “Reality”
- ✓ Ownership (Executives, HR, Managers, Individuals)
- ✓ After establishing the policy
 - Require much more effort in explaining/ implementing actions
 - Require periodic reviewing vs reality

<Global HR overall framework>

Management Principles (Vision/Mission/Values)

Global HR Management Policy (Global HR Vision)

Management and Business strategies

Organizational design

HR Strategy

Talent Acquisition

Talent Development

right person in right assignment

Talent Retention

Organizational development

HR System (grading, evaluation, and compensation)

HR database

HR functions

Global HR Management Policy

■ Policy Outline

1. Why we established this policy (WHY)

Objective of establishing this policy

2. What we aim for (WHAT)

"SC people" "SC organization"

3. Diversity and Inclusion

Creating value through a mix of wisdom

4. How we realize this aim (HOW)

The Mindset we value in HR Management

(1) Talent recruitment

Attract of diverse talents

(2) Talent development and training

Promote a spirit of continuous learnings

(3) For talents success- Performance management-

Evaluate to foster individual and organizational growth

(4) For talent success- Right person in right assignment-

Deploy the right person to the right assignment on a global basis

(5) Fair treatment

Incentivize the pursuit of "external reward" and "internal reward"

(6) Work environment and workplace culture that support talents

Create an environment where individuals can exercise their abilities to the fullest

5. Who takes responsibility for HR management (WHO)

Individuals growing with intrinsic motivation, Managers leading diverse talents

Outline / each section

Global HR Management Policy

Main Statement

(for internal/external)

Supplemental explanation of key phrases

(for internal only)

1 . Why we established this policy

The Sumitomo Corporation Group,
through our “Global HR Management Policy”, presents
a vision for global human resources management.
With this as the foundation of all our HR initiatives,
we will implement HR management
to foster an environment that creates new value.

【vision for global human resources management】

The vision and philosophy stated in this policy serve as the basis of all HR initiatives, like a trunk of tree that supports branches and leaves. The specific actions necessary to realize the objectives of this policy will vary according to the specific requirements and circumstances in each country, region and business environment.

2. What we aim for

(1) SC people

The Sumitomo Corporation Group aims to be a group of individuals “creating new value on a global scale, sharing SC Group’s vision and mission, and maintaining high aspirations and a continuous intrinsic motivation with Enterprising Spirit”.

【vision and mission】 We bring to life our core values such as “Sumitomo’s Business Philosophy”, “SC Group’s Mission Statement” and “SC Values” by putting them into practice.

【intrinsic motivation】 As each of us are guided by our own will and initiative, we inspire each other and the people around us to broaden our shared dreams.

【creating new value on a global scale】 We pursue top tier professionalism in each field, and promote “value creation” by working with diverse people for sustainable growth of society.

2. What we aim for

(2) SC organization

The Sumitomo Corporation Group aims to build a Great Place to Work on a global scale, where individuals continuously and passionately create new value. We aim to be an organization recognized for nurturing talents that continuously take on new challenges throughout the world.

[Great Place to Work]

We aspire to create an organization where each individual maximizes abilities and pursues self-realization, so we can grow together with our colleagues as we embrace the future in a positive and hopeful atmosphere, full of respect for individuals, diverse, inclusive and engaging.

3. Diversity and Inclusion

The Sumitomo Corporation Group recognizes

Diversity and Inclusion as “the core enabler for value creation,

innovation and competitiveness”,

eliminating any barriers, and

pursuing the realization of our shared vision,

by leveraging our mix of diverse wisdom.

[Diversity] In addition to visible diversity, we also value the profound and deeper aspects of each individual’s diversity such as different ideas, perceptions, skills, knowledge and experience.

[Inclusion] Through intentional and proactive behavior, we strive to include all differences with an open mindset.

[eliminating any barriers] We seek to dismantle or overcome any barriers in systems, mechanisms and circumstances (physical barriers) as well as unconscious bias (psychological barriers) that hinder mutual respect and understanding.

[pursuing the realization of our shared vision] By sharing our dreams, vision and mission, we will leverage our collective wisdom, and through discussion, identify our direction, and collaborate on mutually identified common goals toward realizing them.

4. How we realize this aim

The Mindset that Sumitomo Corporation Group values in HR management.

STRATEGY DRIVEN

GEMBA ORIENTED

**FAIR &
OBJECTIVE**

**TRANSPARENT
&
CONSISTENT**

**RESPONSIBLE
&
ACCOUNTABLE**

**RESPECTFUL
IN
COMMUNICATION**

ETHICAL & COMPLIANT

4. How we realize this aim

STRATEGY DRIVEN

To realize business growth strategy.

GEMBA ORIENTED

To be responsive to different needs in various businesses, regions, and markets, and to provide flexibility.

FAIR & OBJECTIVE

To treat and reward individuals in a fair manner, with “medium and long-term perspective” and “objectivity”.

4. How we realize this aim

TRANSPARENT & CONSISTENT

To continue highly transparent operations understood by individuals from different backgrounds, so we can elevate our collective understanding.

RESPONSIBLE & ACCOUNTABLE

To value individual responsibility, commitment, and accountability.

RESPECTFUL IN COMMUNICATION

To convey your own thoughts to another with respect while drawing out the other person's views so as to build a bridge of understanding.

ETHICAL & COMPLIANT

To comply with local laws, as well as governance systems and agreements.

4. (1) Talent recruitment

The Sumitomo Corporation Group continuously endeavors to be attractive to diverse talents. In recruitment, we value the sharing of core values, regardless of one's background or any dimension of diversity.

[recruitment] Given our goals described above under "SC people", we emphasize the importance of professionalism, capability, experience, potential, and aspiration in our recruiting activities. We continually strive to be an attractive company to the most diverse range of talented individuals.

4. (2) Talent development and training

The Sumitomo Corporation Group values the fundamental significance of "talent development". We encourage individuals to grow proactively by continuously learning with a heightened sense of awareness.

[talent development] We enjoy and embrace opportunities for continuous learning/development regardless of age or position. We place priority on the growth of internal potential by offering diverse experiences to our colleagues that expand their abilities, ways of thinking, and mindsets.

[encourage] We recognize that the company and our managers must tailor talent development to each individual's characteristics and experience.

4. (3) For talent success -Performance management-

The Sumitomo Corporation Group pursues
transparent and fair evaluation
for each contribution to organizational growth
and value enhancement, thereby
connecting the performance management process
to the growth of both individuals and organizations.

[fair evaluation] Our evaluators must “sincerely and fairly evaluate differences as differences”.

[value enhancement] We evaluate individuals from the perspective of “how each individual creates value internally and externally through professionalism”.

[growth of both individuals and organizations] Our managers must objectively evaluate the strengths and weaknesses of each employee under their supervision and communicate evaluations transparently and effectively. Throughout the evaluation process, we place the utmost importance on mutual understanding and the customization of individualized development plans designed to drive motivation.

4. (4) For talent success –Right person in right assignment–

The Sumitomo Corporation Group draws out the full potential of individuals rich with diversity. Through a Talent Review and Succession Planning mechanism, we deploy the right talents to the right assignments according to our business strategy.

[Talent Review] In assessing the potential and capability of our talent, we focus on "what each individual has achieved and how".

[Succession Planning] We design our succession planning mechanisms to promote our ability to make the best objective decisions for the growth of our organization.

[right talents to the right assignments] For each particular assignment, we emphasize the required capabilities, qualifications and strengths for such assignment, and the importance of appointing the best available talent to the assignment.

4. (5) Fair treatment

The Sumitomo Corporation Group,
while bearing in mind Total Rewards,
spotlights and respects different promoters of
value creation and promotes fair treatment.

[Total Rewards] The source of our professional motivations derive from a comprehensive set of various internal and external rewards we receive in performing our work.

[external rewards] Regarding monetary reward, we promote "Pay for job, Pay for performance" – rewards fairly based on roles and performance. We also seek to account for differences applicable to each business, industry, market, region and country.

[internal rewards] We recognize that each **individual's intrinsic motivation** is driven by the value the individual places on a combination of different rewards, such as recognition and evaluation by others, work and a workplace environment, that all foster a sense of pride and contribution, personal growth, and self-realization of career goals.

4. (6) Work environment and workplace culture that support talents

The Sumitomo Corporation Group provides a safe, healthy and sound work environment.

We create a workplace culture that provides

psychological safety and encourages growth of individuals and trustworthy relationships.

[psychological safety] We respect each individual's need for the psychological safety necessary to support the growth of the individual and our organization, such as a sense of belonging and recognition, a culture of civility that respects and includes different opinions, and an encouraging workplace that fosters innovative ideas and a willingness to tackle challenges.

[trustworthy relationships] To build trustworthy relationships, we seek to eliminate discrimination, exclusion, and harassment, and create an environment where all employees can work with a sense of mental and physical safety.

5. Who takes responsibility for HR Management

All members of the Sumitomo Corporation Group

assume the ownership and responsibility to execute this "Global HR Management Policy".

[individuals] Each individual assumes responsibility for the self-learning necessary to take on challenges and grow.

[managers] Each manager is responsible for leading diverse talents by understanding and strengthening each individual's mindset and abilities.

[company] The company is responsible for identifying individual and organizational needs, and implementing measures to support individual and organizational growth to the fullest.

