

CSR Book 2024

Editorial Policy

Period Covered by This CSR Book

April 1, 2023 through March 31, 2024 (fiscal 2023). Some activities conducted in fiscal 2024 are also covered.

Boundary of This CSR Book

Sumitomo Electric Industries, Ltd. and its consolidated subsidiaries (382 companies)

In this CSR Book, the descriptions are classified according to the following criteria:

- “Sumitomo Electric,” “the Company” or “our company” refers to Sumitomo Electric Industries, Ltd.;
- “Group companies” or “affiliates” refers to the consolidated subsidiaries of Sumitomo Electric;
- “the Sumitomo Electric Group” or “the Group” refers to Sumitomo Electric and Group companies.
 - When quantitative information is disclosed, SUMITOMO DENSETSU CO., LTD. and Sumitomo Riko Company Limited, which are listed on stock exchanges in Japan as of March 31, 2024, and their consolidated companies are excluded. In some cases, Sumitomo Electric alone or only the Company and limited consolidated subsidiaries or some of the equity-method companies are included. The items referenced within such a specifically limited boundary are indicated in the text or footnotes in the table or graph. The CSR Management of SUMITOMO DENSETSU CO., LTD. and Sumitomo Riko Company Limited is introduced in P13.
 - See P74 for criteria to calculate environmental and social indicators.
 - For details of the boundary of data collection for environmental indicators, see P19.

Listed companies and listed subsidiaries in the Group – Unless otherwise stated, they represent SUMITOMO DENSETSU CO., LTD. and Sumitomo Riko Company Limited.

Guidelines Referenced

■ GRI Standards

This CSR Book is prepared referring to GRI Standards.

The GRI Content Index is published on the following website:

<https://sumitomelectric.com/csr-reports/>

- Environmental Reporting Guidelines 2018 issued by the Ministry of the Environment of Japan

Efforts to Improve the Reliability of the Disclosed Information

To ensure the accuracy and completeness of the performance indicators, we have engaged an independent third party to provide assurance on them, and the indicators subject to the assurance are marked accordingly to enhance the credibility.

Date of Publication

December 2024 (Last CSR Report: published in December 2023; and next CSR Book: scheduled for release in December 2025)



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Basic Value Standards

The Sumitomo Spirit

The Sumitomo Spirit grew out of the guiding principles set down in his later years by the founding father of the House of Sumitomo, Masatomo Sumitomo (1585-1652), in Monjuin Shiigaki (the Aphorisms of Monjuin, which describes how a merchant should conduct his business). The Sumitomo Spirit has been passed down and elaborated through the history of Sumitomo, which mainly operated copper business. The essence of the Spirit was distilled in the "Business Principles" codified in 1891. Also integrated into the Sumitomo Spirit are other beliefs and principles behind business decisions, and remarks made by Sumitomo managers, which have been handed down through generations. The pioneering ideas of the Sumitomo Spirit, which also reflect today's concepts of compliance and CSR, have been steadfastly inherited as a commonly held asset of Sumitomo Group companies.

Business Principles

Article 1 Sumitomo shall achieve prosperity based on solid foundation by placing prime importance on integrity and sound management in the conduct of its business.

Article 2 Sumitomo's business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue immoral business.

Traditional Beliefs and Principles

Attaching Importance to Technology

Sumitomo's original copper business centered on the nanban-buki (foreign-style) refining technique, which at the time comprised the leading edge of smelting technology. The business policy of valuing technology and tackling the development of new technology has been a driving force in the evolution of Sumitomo business from the very beginning.

Respect for Human Resources

Sumitomo's history is accentuated with events that demonstrate the great value that is attached to opinions of those working in the field. Over the years, Sumitomo has established a corporate culture in which frank discussions are cherished and human resources are given the utmost importance. Sumitomo has always considered that people make the enterprise and attached importance to human resources. This tradition has coexisted with the commitment among Sumitomo personnel to character cultivation.

Long-Range Planning

This principle is derived from Sumitomo's original experience in copper mine management which requires long-term, continuous consideration. Business development with a future-looking, long-term view, complemented by a wider perspective to ensure national and social interests, is one of the factors that have made Sumitomo distinctive.

Mutual Prosperity, Respect for the Public Good

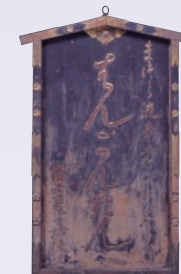
This phrase represents the principle that Sumitomo's business must benefit not only Sumitomo but also the nation and society in general, and everyone in Sumitomo is required to focus not only on making money but always conduct business in harmony with public interests. Also demonstrated by its more than century-long efforts to solve environmental problems in the Besshi Copper Mine, this spirit has always remained unchanged at Sumitomo.

Monjuin Shiigaki (the Aphorisms of Monjuin)

Masatomo Sumitomo was born in 1585, the late Sengoku Period, in Maruoka, Echizen (now Maruoka-cho, Sakai-shi, Fukui Prefecture) as the second son of a samurai warrior family, but entered priesthood in Kyoto at the age of 12. His intelligence led him to be given the name Monjuin, after Monju Buddhist saint who embodies enlightened wisdom. He later left the priesthood and started his own business to trade books and medicines, which was the origin of the House of Sumitomo. Even after he left the priesthood, many people continued to ask for his teachings and respect his faithful instructions. The fact that the founding father was a widely respected Buddhist priest is the unique feature of the Sumitomo Group. A letter written by Masatomo Sumitomo (Monjuin) in response to a family member's request for guidance on conducting business was Monjuin Shiigaki.



Figure of Masatomo Sumitomo (Monjuin)*



Signboard of the medicine shop operated by Masatomo*

Banji-nissei (Do your sincere best in not only business but also every aspect of your life.)

Consisting of five articles, Monjuin Shiigaki contains ideas reflecting the unstable social conditions of Kyoto in the 17th century, when it was written. The preamble admonishes us to pay attention to any matters including business and work wholeheartedly on everything. This precept "Banji-nissei" has been passed down continuously, by way of hoping that each one of us in Sumitomo does not focus only on making money but improves the personality and develops the character. This lofty document urges us to persist in sincere and careful effort and to cultivate good character.

The Sumitomo Electric Group positions this "Banji-nissei" as the keyword representing the Sumitomo Spirit.



Calligraphy work "Banji-nissei" in Sumitomo Electric's Minami-Hakone Seminar House.

The Sumitomo Electric Group Corporate Principles

On the occasion of Sumitomo Electric's centennial celebration in 1997, the Sumitomo Electric Group defined the Sumitomo Electric Group Corporate Principles as a new management philosophy arising from the Sumitomo Spirit. The Corporate Principles underscore our basic policy of commitment to our important stakeholders (employees, customers, suppliers, regional communities, and shareholders/investors) and rededicate the Group to the importance of compliance and trust.

Each company of the Sumitomo Electric Group shall

- Offer the very best goods and services to satisfy customer needs
- Build technical expertise, realize changes and strive for consistent growth
- Contribute to creating a better society and environment, with a firm awareness of our social responsibility
- Maintain high corporate ethics and strive to become a company worthy of society's trust
- Nurture a lively corporate culture that enables employee self-improvement

The Sumitomo Electric Group Charter of Corporate Behavior

The Sumitomo Electric Group recognizes that our operations are supported by a range of stakeholders, including employees, customers, suppliers, regional communities, and shareholders/investors, and that it is mandatory to strive to build appropriate cooperative relationships with our stakeholders while taking their interests into consideration in order to achieve sustainable growth and enhance the corporate value of the Sumitomo Electric Group over the medium to long term, as well as to steadily return the results to all of our stakeholders as a going concern.

Based on such recognition, as described on the right, the Sumitomo Electric Group promotes appropriate collaboration with stakeholders to achieve co-creation of values and shared prosperity with the stakeholders.

1 Provision of Useful and Safe Products and Services

- We will aim to provide useful and safe products and services that will satisfy customers in all aspects including quality and cost.

2 Development of New and Original Businesses and Products

- We will aim to develop new, original and profitable businesses and products by using our unsurpassed creativity in meeting customer demands.

3 Growth and Development of the Sumitomo Electric Group through Global Business Activities

- We will strive for consistent growth of the Sumitomo Electric Group, by consistently conducting our businesses with a global perspective and taking full advantage of the Group's dynamic business operations.

4 Contribution to Preservation of the Global Environment

- We will contribute to the construction of a sustainable society, taking voluntary and active initiatives to preserve the global environment.

5 Observance of Laws and Regulations

- We will observe national and international laws and regulations and always act fairly and openly.

6 Fair and Proper Business Activities

- We will promote fair, transparent and free competition and sound trade.

7 Conduct as a Member of Society

- We will contribute to creating a better society, with a firm awareness of our social responsibility as a "good corporate citizen."
- We will maintain a strong stand against any force that threatens public order and safety.

8 Harmony with the International Community

- As a corporate member of the international community, we will respect the culture and customs of every region of the world and contribute to the development of those regions.

9 Safe, Sound Workplace and Employees' Growth and Development

- We respect the rights of all individuals and will endeavor to make our workplaces safe, sound and energetic.
- We will strive to respect personality and individuality of the employees and support their professional development and career to enable self-realization.

10 Disclosure of Relevant Information and Promotion of Communication with Society

- We will aim to provide appropriate corporate information to contribute to adequate collaboration with stakeholders.
- We will also promote good communication with society through public information and hearings.

Top Message

We will enhance our CSR activities further with the aim of achieving a safer, more comfortable, and green, environmentally friendly society.



President & COO
Sumitomo Electric Industries, Ltd.

Osamu Inoue

Preface

I sincerely express my gratitude for your continued support and understanding of Sumitomo Electric Group's business activities. I also thank you for reading this CSR Book 2024.

Sustainability Management

Our group has honored both the tradition of the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, and based on the management spirit of "contributing to the public benefit through our business," the Group has consistently worked to ensure mutual prosperity with our stakeholders through the evolution of technology that connects and supports society. And this history leads to the current concept of Sustainability.

We believe that addressing the sustainability agenda is essential for improving our corporate value over the medium to long term. To promote this on a group-wide basis, we have the Sustainability Management Promotion Committee, which I chair, in action to discuss and continue to actively commit ourselves to the sustainability agenda such as consideration for climate change and other global environmental issues, respect for human rights, fair and appropriate treatment of employees and

their health and working environment, fair and impartial trade with business partners, and risk management for natural disasters.

"Mid-term Management Plan 2025"

The "Mid-term Management Plan 2025," which we unveiled in May last year as the milestone toward the "Sumitomo Electric Group 2030 VISION," puts up the slogan "Creating a Green Society through our Connecting and Supporting Technologies" and sets out how we will contribute to society by capturing business opportunities in the "Development of a Decarbonized Society" and "Evolution of the Information Society" while pursuing the growth of the Group.

In addition, the "Mid-term Management Plan 2025" emphasizes the concept of "Multistakeholder Capitalism" called "*Goho Yoshi*" (Five-Way Win), which is the Group's management philosophy, and sets specific indicators and targets for each of our five stakeholders: employees, customers, suppliers, regional communities, and shareholders & investors. We have set targets for each of these stakeholders/ groups, and many of them have already been achieved or are progressing well.

To Enhance Our CSR Activities

To achieve our 2030 Vision and practice sustainability management, we position corporate social responsibility (CSR) as an important factor of the purpose and have identified "environmental preservation," "human rights," "human resources," "contribution to society," "quality," and "supply chain" as core categories for our CSR activities in line with the formulation of Mid-term Management Plan 2025.

While taking a proactive view of a company's role that is needed by society and also accurately grasping changes, such as the sophistication of demands by society toward solving social issues and the progress of social transformation, we will actively promote various measures that focus on them and continue to strive for mutual prosperity with our stakeholders.

The Sumitomo Electric Group firmly maintains the Sumitomo Spirit, which presents basic value standards, and sets "Glorious Excellent Company" as its ideal future state to promote business activities. We will continue to aim to permanently improve corporate value as a going concern through efforts to solve social issues related to our business in cooperation.

“Goho Yoshi” (Five-Way Win)

— Multistakeholder Capitalism —

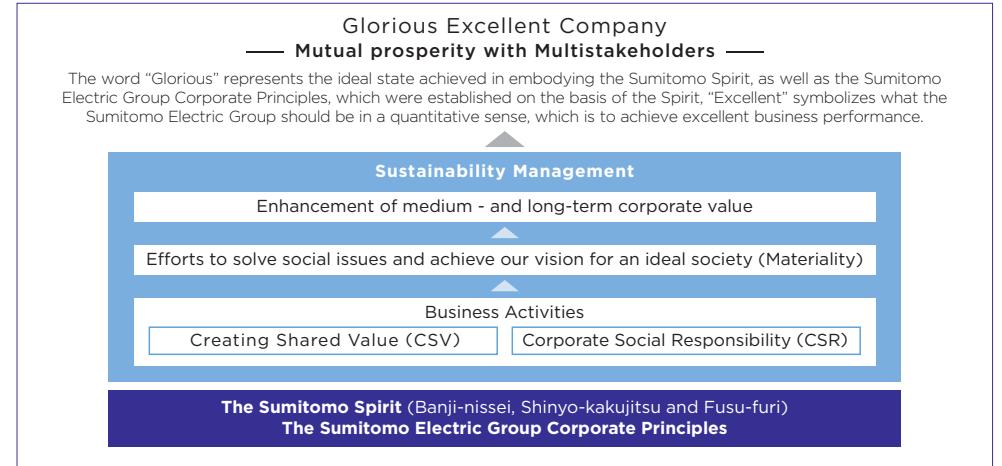
“Goho Yoshi” (Five-Way Win) is a concept that has been part of the business management of the Sumitomo Electric Group for some time and is based on the Sumitomo Corporate Philosophy.

We are committed to sustainable growth and medium to long term value creation by sharing prosperity with our multiple stakeholders: employees, customers, suppliers, regional communities, and shareholders & investors.



Sustainability Management

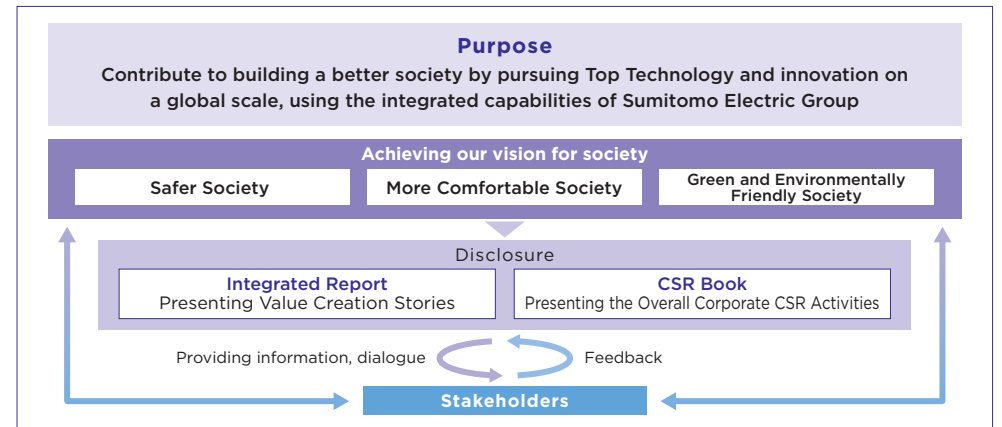
Challenges surrounding Sustainability, including consideration for climate change and other global environmental issues, respect for human rights, fair and appropriate treatment of employees and their health and working environment, fair and impartial trade with business partners, and risk management for natural disasters, are essential for the Company's sustainable growth and medium to long term enhancement of corporate value, as well as for the steady return of results to all stakeholders as a going concern, and the Sumitomo Electric Group will work tirelessly to address these challenges.



CSV: Creating Shared Value CSR: Corporate Social Responsibility

More specifically, we established our value and purpose as continuing to “Pursue Top Technology that connects and supports society; and use the Group's integrated power and innovation to contribute on a global scale” and **we are committed to achieving a Safer, more Comfortable society that is also Green and Environmentally Friendly.**

In addition, we will communicate our efforts both internally and externally through “Integrated Report,” which summarize our value creation story, and our “CSR Book” which summarizes the achievements of our CSR activities. **We encourage feedback from our stakeholders and reflect their thoughts in our future activities.**

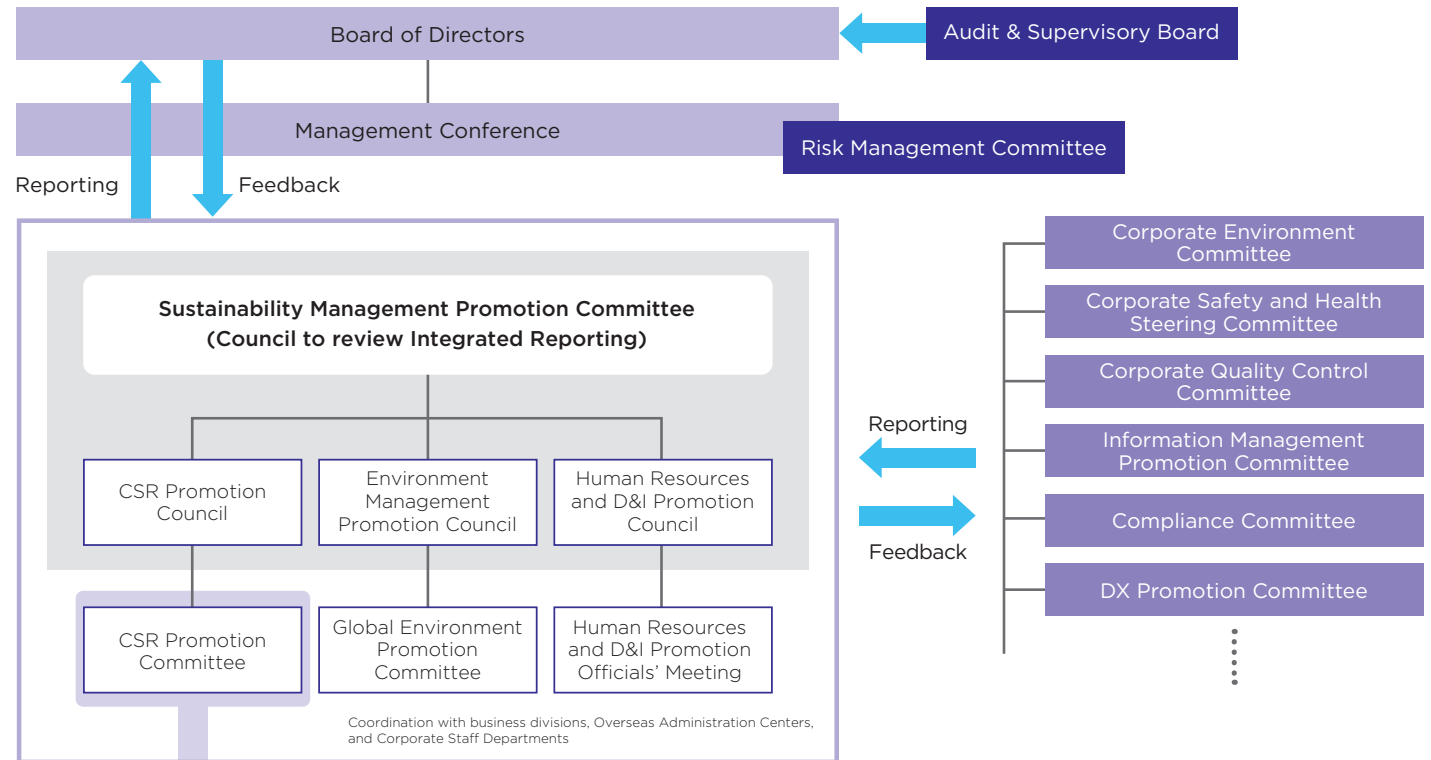


CSR Promotion System

Based on our Basic Policy on Sustainability Management, the Group has established the Sustainability Management Promotion Committee, chaired by the president. It receives reports from each committee on related initiatives, discusses policies, and offers advice so that the initiatives will be carried out in a consistent manner.

The CSR Promotion Committee is chaired by the officer in charge of CSR and consists of members elected from divisions in charge of CSR-related areas. As the Group's main body of CSR promotion, it cooperates with the Environment Management Promotion Council and the Human Resources and D&I Promotion Council to implement company-wide activities by reflecting our management policy more strongly than before.

Promotion System (As of March 31 of 2024)



Role of the CSR Promotion Committee

- Meeting twice per fiscal year to review CSR activities from a group-wide perspective and to support and summarize future developments.
- Promoting internal and external information disclosure and public hearings on CSR.
- Promoting CSR education programs throughout the Sumitomo Electric Group, etc.

CSR-related areas

Compliance/Risk management/Information disclosure

Core categories

Environmental preservation/Human rights/
Human resources/Contribution to society/
Quality/Supply chain

Long-term Vision “Sumitomo Electric Group 2030 VISION” and Mid-term Management Plan 2025

The Sumitomo Electric Group will continue to make efforts in accordance with its “2030 VISION” and “Mid-Term Management Plan 2025” to realize the three goals for society, which are a “Safer Society,” “More Comfortable Society” and “Green and Environmentally Friendly Society,” and strive to continuously enhance the corporate value through providing a broad range of value to the society.

Long-term Vision “Sumitomo Electric Group 2030 VISION”

LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET
 — Relentlessly challenging ourselves to use Technology for Good —

Based on the understanding of our stakeholders, we will work together to enhance corporate value, aiming to achieve the corporate image of a Glorious Excellent Company.

Management Policy

Honoring the Sumitomo Spirit, handed down over generations, and the Sumitomo Electric Group corporate principles, we carry out business activities based on the spirit of always prioritizing our contribution to society and ensuring mutual prosperity with our stakeholders under a management philosophy of contributing to the public benefit through business. Based on this basic spirit, we will aim for permanent improvement in corporate value by working on sustainability challenges while simultaneously pursuing Top Technology and supporting the development of infrastructure and industries across the world through global business activities.

Purpose

Contribute to building a better society by pursuing Top Technology and innovation on a global scale, using the integrated capabilities of Sumitomo Electric Group.

Society 2030 and Business Development

The Sumitomo Electric Group will unleash all of its capabilities to contribute to the evolution of a Safer and more Comfortable society that is also Green and environmentally friendly.

Furthermore, we will continue to provide products and services that support a wide range of infrastructure and industries. In particular, we have positioned Energy, Info-communications, and Mobility as our key domains, which we intend to develop with our comprehensive strengths.

Business Foundations

To pursue its “2030 Vision,” the Group will strive to build a strong organization that can respond to change accurately, quickly, and flexibly. To that end, we will maximize synergies across the Group by enhancing the 3 Key Sources of Capital (human capital, intellectual capital, and financial capital) and reinforcing the 3 Key Driving Forces (R&D, supply chain, and manufacturing).

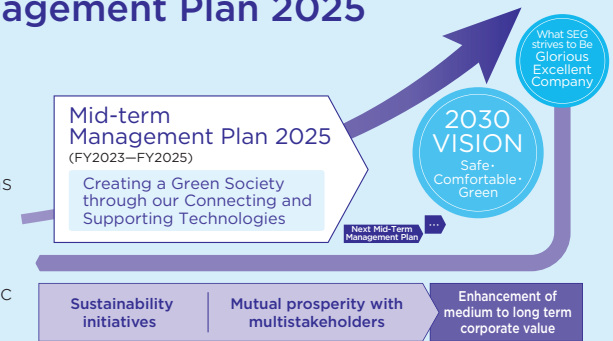
Targets

By 2030, the Group aims to achieve net sales of over 5 trillion yen and before tax ROIC of over 10%, while working on reducing CO₂ emissions, promoting D&I, improving engagement and ensuring compliance.

Mid-term Management Plan 2025

Positioning

The Group is moving forward with the “Mid-term Management Plan 2025”, formulated as a three-year action plan for FY2023 to FY2025, based on the long-term vision “Sumitomo Electric Group 2030 VISION”.



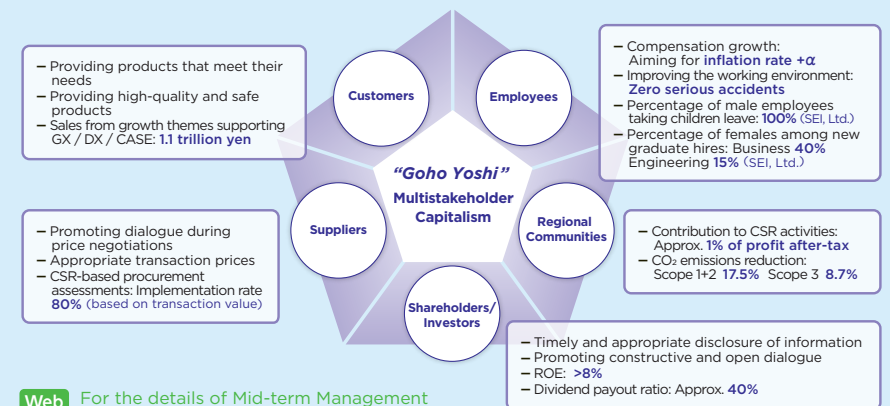
Basic Policy

Under the slogan of “Creating a Green Society through our Connecting and Supporting Technologies”, the “Mid-term Management Plan 2025” aims to capture global business opportunities associated with the “Development of a Decarbonized Society” and the “Evolution of the Information Society,” and to promote growth strategies by leveraging the collective strengths of the Group. The basic policy of the Group is to strengthen our management foundation and continue to return the results of the growth to stakeholders.

Key indicators and targets

Net sales 4.4 trillion yen	Operating profit 250 billion yen	Before tax ROIC >8%	R&D 360 billion yen/3 years	Capital Investments 720 billion yen/3 years
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Indicators and targets by stakeholder



CSR Core Categories, Priority Themes and Main Initiatives and Targets

Materiality The Group has defined “materiality” as efforts to solve social issues that the Group believes are important to achieve the “Three Goals for Society” and to “Ensure growth and steady returns”. Through the materiality initiatives, the Group will capture opportunities and reduce risks.

Summary of the Materiality Process

➡ Comprehensive Understanding of Social Issues

Comprehensive understanding of social issues, referencing SDGs and Global Risks Report (published by World Economic Forum) and listing the social issues.

➡ Prioritizing Important Social Issues

In order to achieve the social vision set forth in the “2030 VISION”, discussions were held on the importance of these issues to both the Group and society, and five high-priority issues were identified as “important social issues”.

“Important Social Issues” Identified Through the Discussions

1. Addressing social issues and revitalizing industries through new technologies.
2. Increasing environmental risks and intensifying global warming.
3. More frequent natural disasters, increasing information security risks, and underdeveloped and aging social infrastructure.
4. Growing importance of Diversity and Inclusion (D&I) and work environment.
5. Emerging risks in supply chains (protection of human rights, strengthened business continuity planning).

➡ Materiality Assessment

In the process of formulating the “2030 VISION” and the “Mid-term Management Plan 2025”, the Group has identified, with the approval of the Management Conference and the Board of Directors, “materiality” initiatives that management believes are important to addressing social issues in order to reach the social vision it aims to achieve.

Values

Our ideal society | Achieving the three goals of society

🛡️ Safer Society

👍 More Comfortable Society

🌱 Green and Environmentally Friendly Society

Ensure “Growth” and steady “Returns”
“Goho Yoshi” (Five-Way Win)
 — Multistakeholder Capitalism

Details of Materiality (Important Initiatives) — The Group’s Mission for 2030 —

Business Domains | The Group will contribute to the future of a Green Society by seizing business opportunities across the Group in 3 key areas as part of progress toward a Decarbonized and Information-oriented Society.

Energy Supporting GX

Challenges toward 2030

- The Group will further improve our power cable technology and take on challenges to reinforce power lines on a global basis and to provide solutions addressing the various needs of power users.

Growth Themes

- Interconnectors / battery storages for power grids
- Renewable energy networks
- Environmentally friendly power transmission and distribution / energy-saving equipment

Info-Communications Supporting DX

Challenges toward 2030

- The Group will rise to the challenge to developing innovative materials and devices to support the progress of large-capacity optical communications, lower power consumption and the evolution from 5G to 6G.

Growth Themes

- High-speed large-capacity and low-latency communication network
- Data centers and related equipment
- Next-generation telecommunication devices and equipment

Mobility Supporting CASE

Challenges toward 2030

- In addition to the evolution of existing products, like wiring harnesses, the Group will endeavor to advance electrification and high-speed communications of automobiles, including architectural innovations, leveraging the integrated technologies of the Group, such as energy and info-communications.

Growth Themes

- Materials for electrified automobiles / weight reduced materials
- Driver-assistance and autonomous driving systems
- Mobility solutions from energy infrastructure and integrated transport infrastructure

Indicators and targets | Sales from growth themes supporting GX/DX/CASE 1.1 trillion yen, and capital expenditures 720 billion yen/3 years (including 300 billion yen/3 years for major capital investments in growth themes)

Management Foundation

Targets without a target year are for FY2025.

3 Key Driving Forces

R&D	Innovate and accelerate R&D to generate returns. <ul style="list-style-type: none"> • Backcasting from social issues • More sophisticated and efficient processes • Open innovation and cooperation with outside entities 	Indicators and targets
Supply Chain	Reinforce BCP through building a stable supply chain framework that is resilient to changes. <ul style="list-style-type: none"> • Fair and impartial trade, protection of the environment and human rights, and the BCPs • Promotion of sales with a focus on presenting solutions • Production at the most appropriate site and cooperation on a global scale • Optimizing division of labor among operation sites and transportation means 	Indicators and targets
Manufacturing	Create resilient factories that can adapt to change. <ul style="list-style-type: none"> • Contributing to the global environment : promoting circular economy, preventing environmental pollution, saving, creating and purchasing energy, along with eco-friendly activities • Resilient manufacturing platform : zero accidents in all the aspects of employees, materials and equipment • Building a solid shop floor operation : autonomous and continuous “maintenance and improvement” • Evolving the production system : vertical launch and simultaneous improvement of lead time and cost 	Indicators and targets

Three Sources of Capital







Human Capital	Evolve to become a Group where everyone can excel, grow and contribute to society <ul style="list-style-type: none"> • Promoting D&I, Respect for human rights • Nurturing a corporate culture that values growth and challenges • Group’s integrated power on a global scale 	Indicators and targets
Intellectual Capital	Generate long-term competitiveness by generating intellectual capital from our core technologies and manage and utilize the capital on a global basis <ul style="list-style-type: none"> • Intellectual Property (IP) strategy for business competitiveness • Managing the global IP network • Contribution to the establishment of global regulation 	Indicators and targets
Financial Capital	Generate cash to maximize funds for growth and investment as well as distributions that optimize returns for our stakeholders <ul style="list-style-type: none"> • Reinforcing operation, implementing growth strategy, and ROIC management • Effective capital investment and R&D investment • Sharing returns with stakeholders 	Indicators and targets

Contribution to Society | Proactively engage in voluntary activities for “Contributing to Society (CSR Activities)” as a responsible member of society | Contribution to CSR activities Approx. 1% of profit after-tax

* EBITDD: Earnings Before Interest Taxes Depreciation and Development

CSR Core Categories, Priority Themes and Main Initiatives and Targets






In line with the formulation of the Mid-term Management Plan 2025, we have reviewed the CSR core categories and priority themes and also set main targets for fiscal 2025. We reorganized those items as particularly important matters related to CSR activities based on the materiality identified for our Group while also taking into account the continuity with the CSR activities we have implemented to date.

ESG	Core Categories	Priority Themes	Relevant material issues	Main initiatives and targets for fiscal 2025	Progress (Results in FY2023)	Related SDGs
E	Environmental Conservation	Greenhouse Gas Emissions	Manufacturing (Contributing to the Global Environment)	Reduction in CO ₂ emissions (% reduction vs 2018) Scope 1+2: 17.5% Scope 3 : 8.7%	Reduction in CO ₂ emissions (% reduction vs 2018) Scope 1+2: 17.4% reduction Scope 3 : 21.4% increase	
S	Human Rights	Respect for Human Rights	Supply Chain, Human Capital	<ul style="list-style-type: none"> As to human rights due diligence, examine key risks and implement prevention and mitigation measures for about 280 Group companies For human rights training, promote training and awareness-raising for discrimination, harassment and other human rights issues Request suppliers to engage in efforts related to human rights and labor relations based on the Supplier Code of Conduct 	<ul style="list-style-type: none"> Human rights due diligence: <ul style="list-style-type: none"> Conducted a human rights due diligence survey of our 284 Group companies in fiscal 2022 Started to address the issues identified by the survey in fiscal 2023 Human rights training: in 2023, the total number of employees who attended human rights seminars was 22,199 with 15,078 seminar hours in total Continued an effort to obtain the consent of suppliers 	
S	Human Resources	<ul style="list-style-type: none"> Development of Human Resources and Improvement of Engagement Organizational Diversity and Workplace Improvements Occupational Safety and Health 	Manufacturing, Human Capital	<ul style="list-style-type: none"> Compensation growth: Aiming for inflation rate +α Number of the Executive Training Program participants: 100/3 years Number of MPSS participants: 2,300/3 years Total hours of training programs: 20 hours / headcount - year Developing core DX talent: 300/3 years (Sumitomo Electric alone) Developing DX data analysts: 1,500/3 years (Sumitomo Electric alone) Percentage of females among new graduate hires: Business 40%, Engineering 15% (Sumitomo Electric alone) Percentage of male employees taking childcare leave: 100% (Sumitomo Electric alone) Zero serious accidents 	<ul style="list-style-type: none"> Pay increase rate (regular pay increase + base pay increase): 5.75% Number of the Executive Training Program participants: 36 Number of MPSS participants: 859 Total hours of training programs: 12.8 hours / headcount - year Developing core DX talent: 134 (Sumitomo Electric alone) Developing DX data analysts: 535 (Sumitomo Electric alone) Percentage of females among new graduate hires in fiscal 2023: Business 41.2%, Engineering 10.6% (Sumitomo Electric alone) Percentage of male employees taking childcare leave: 100% (Sumitomo Electric alone) Zero serious accidents 	
S	Contribution to Society	Activities Contributing to Society	Contribution to Society	<ul style="list-style-type: none"> Continuance and enhancement of various activities based on the Sumitomo Electric Group Basic Policies on Contribution to society Contribution to CSR activities: approx. 1% of profit after-tax 	<ul style="list-style-type: none"> Continuance of various activities based on the Sumitomo Electric Group Basic Policies on Contribution to society Our contribution to CSR activities: 1,773 million yen (Equivalent to 1.05% of profit after-tax) 	
S	Quality	Product Quality and Product Safety	Manufacturing	Reduce the index for the number of complaints by 20% from the FY2022 level	Reduced the index for the number of complaints by 8.6% from the FY2022 level	
ESG	Supply Chain	Promotion of CSR Procurement	Supply Chain	<ul style="list-style-type: none"> Promote CSR-based procurement assessments covering the suppliers that represented 80% of global transaction value equivalent Promote compliance initiatives with suppliers based on the Supplier Code of Conduct 	<ul style="list-style-type: none"> In CSR-based procurement assessments, we obtained replies from the suppliers that represented 73% of global transaction value equivalent Continued an effort to obtain the consent of suppliers 	

Relationships with Stakeholders

Overview of Key Methods and Activities for Engaging with our Stakeholders

The Group recognizes that its operations are supported by a range of stakeholders including “employees”, “customers”, “suppliers”, “regional communities”, and “shareholders/investors”, and that it is mandatory to strive to build appropriate cooperative relationships with stakeholders based on the “Goho Yoshi” (Five-way Win) philosophy, while taking their interests into consideration in order to achieve sustainable growth and enhance corporate value of the Group over the medium to long term as well as to steadily return the results to each of its stakeholders as a going concern.

	Our Focus	Key Methods and Activities		
Employees	<ul style="list-style-type: none"> Respect for human rights and workplace environment that is healthy, safe, secure and comfortable Diversity & inclusion, and sustainable growth and development Sharing of purpose/sense of fulfillment 	<ul style="list-style-type: none"> Townhall meetings (discussions between management and employees), union talks, career dialogues, and engagement surveys Training and education by SEI University, seminars Internal and external consultation services Corporate newsletters and intranet 		Group global awards workshop
Customers	<ul style="list-style-type: none"> Providing product value that accommodates customer needs Establishing firm relationships based on trust Providing high-quality, safe products 	<ul style="list-style-type: none"> Daily sales activities, sales force surveys Exhibitions Sumitomo Electric Group e-magazine “id”, President's Blog, Product Catalogs, Advertisements, Websites 		2023 BICSI Fall Conference & Exhibition
Suppliers	<ul style="list-style-type: none"> Expanding fair and impartial trade Building and enriching business partnerships Thoughtful approach to environment and human rights in procurement 	<ul style="list-style-type: none"> Daily procurement activities Partners meetings and meetings with important business partners Review and examine results of CSR Procurement Self-Assessment Form Compliance consulting and reporting desk 		Partners Meetings
Regional communities	<ul style="list-style-type: none"> Appropriate tax payment in respective countries and regions Contribution to cultural/social development in respective communities Active commitment to environmental preservation 	<ul style="list-style-type: none"> Contributing to society through donations and volunteer activities, collaboration with NPOs Contribution to regional communities through business activities, exchanges with regional communities Support for education and training, contribution to sports and cultural promotion Dialogue through economic and industry associations 		BIWAKO MARATHON Water Station Volunteer
Shareholders /Investors	<ul style="list-style-type: none"> Prompt and appropriate information disclosure Enhancement of medium-and long-term corporate value and sharing our returns Constructive, open dialogue 	<ul style="list-style-type: none"> General Meeting of Shareholders, IR briefings, and individual dialogues IR website, various reports (Integrated Report, Consolidated Financial Statements, Corporate Governance Report, etc.) 		Second Quarter Financial Results Briefing

Disclosure of Corporate Information

“The Sumitomo Electric Group Charter of Corporate Behavior” stipulates that we will aim to disclose appropriate corporate information to our stakeholders to promote communication with society. In accordance with the charter, we have established a system in which information on occurred material facts and decisions is collected and confirmed by public relations sections in cooperation with relevant divisions so as to promote timely and accurate information disclosure. Furthermore, to strengthen the disclosure system, the Public Affairs Committee, as a company-wide organization, establishes rules on the disclosure of company information, conducts training and awareness-raising activities within the Group, and formulates measures to enhance our corporate brand value.

Communication with Shareholders and Investors

Sumitomo Electric believes that an important goal of its investor relations is to notify market participants of accurate information in a timely and fair manner, so as to obtain an appropriate evaluation of our corporate value in the capital market.

The Company works to enhance communication with institutional investors and analysts on such occasions as briefings on financial results and interviews. In fiscal 2023, a total of 131 companies participated in our twice-yearly financial results briefings, and we held individual dialogue with a total of 343 companies. Opinions and issues identified through the dialogue are regularly reported to the Board of Directors while the information is appropriately managed. For general shareholders and investors, we post a wide range of information on our websites, including financial information, press releases

and materials distributed in financial result briefings as well as relevant video images.

We will continue to engage in constructive dialogue with shareholders and investors to a reasonable extent and strive to disclose information in a fair, prompt and comprehensive manner.

Efforts to Disseminate Information

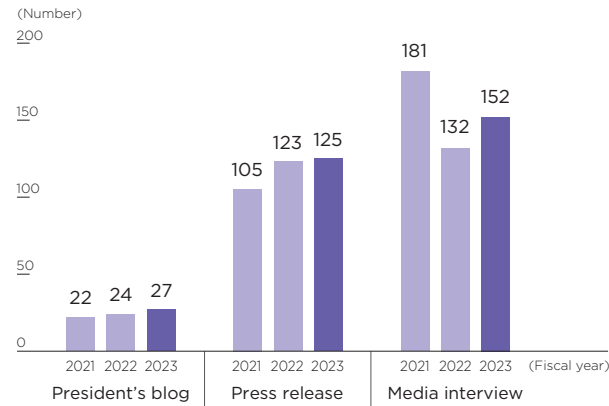
Again in fiscal 2023, we actively disseminated a wide variety of corporate information through press releases, interviews, and our corporate website to help our stakeholders enhance their understanding of the Group.

We have used the tagline “Connect with Innovation” and visual identity (VI) for various publications, advertisements, etc., to ensure that a consistent corporate image would take root. In fiscal 2023, for PR for each project and product, we proactively attended exhibitions, issued news release on new products, received press coverages, held a news conference for new production site establishment. We also focused on expanding our presence in TV, magazines, newspapers, and other media to enhance our brand image.

In particular, we are spreading the idea of “Goho Yoshi” (Five-Way Win) — Multistakeholder Capitalism — which is mentioned in Mid-term Management Plan 2025 unveiled in May 2023, inside and outside of the Company through outdoor advertising and publications.

Furthermore, by actively communicating information on the activities of our track and field team and our support for sports events, we strive to further cooperate in sports promotion and strengthen the sense of unity within the Group.

The number of external communication by media



CSR VOICE

My awareness after receiving the CSR training and my future goal

The Sumitomo Electric Group has provided CSR training to employees since fiscal 2022 to promote CSR activities. It is designed to deepen their understanding of social trends surrounding CSR, as well as the CSR policies, CSR promotion systems, specific initiatives, etc. of the Company, and incorporate a CSR perspective into their daily work. In fiscal 2023, with lectures for new employees organized in addition to e-learning for newly promoted managers and specialist employees, 1,419 persons attended the CSR training in total.



Takahashi Kakeru
Epitaxy Engineering Group,
Manufacturing Engineering
Department,
Lightwave Device Division,
Sumitomo Electric Device
Innovations, Inc.

Since I joined the Company as a manufacturing engineer in 2021, I have been responsible for the process management of thin-film growth in optical device and the introduction of new equipment. The CSR training session I attended at the time of my promotion made me learn that the public awareness of CSR and its importance are increasing and that it is directly linked to customers' evaluation. Seeing Mid-term Management Plan 2025 from the perspective of CSR, I was reminded that a lot of indicators and goals are related to multistakeholder and that each employee must keep that in mind.

The training has made me realize that we should be more conscious of the environment and the supply chain even in daily work. In addition to continuing to deepen my understanding of the Company's CSR activities, I am going to promote CSR activities starting with what is to do with manufacturing sites, such as environmental behavior at the time of the selection of manufacturing materials and equipment, being conscious of sustainability surrounding procurement, and paying attention to energy consumption when manufacturing process is improved.

CSR Management of Companies in the Group

CSR Management of Listed Companies in the Group

SUMITOMO DENSETSU CO., LTD.

[Web](#) SUMITOMO DENSETSU CO., LTD.
CSR information

Sumitomo Densetsu engages in various fields of construction work with a focus on electricity, a key component of the infrastructure. In 2020, we launched VISION24, a medium-term management plan that sets the four key measures of “safety, quality and compliance,” “securing and developing human resources and implementing work style reform,” “pursuing improved customer satisfaction” and “enhancing enterprise value in anticipation of the future” and are promoting initiatives to achieve them.

To become a company valued by all stakeholders, we also focus on CSR activities aimed at enhancing the work environment for our employees, including the commitment to safety and quality, compliance, ESG and the SDGs, and the promotion of Health and Productivity Management as well as a variety of social contribution activities aimed to live in harmony with local communities.

With the Sustainability Management Promotion Committee, chaired by the president and consisting of Management Conference members, playing a key role, we also work to increase corporate value by promoting sustainability management. In addition, we have identified six materiality issues to be tackled preferentially to solve social issues and achieve the sustainable development of our group at the same time and are working to further strengthen our efforts to address them.

We will continue to contribute to the creation of a comfortable environment that supports thriving society through business and CSR activities.

Materiality KPIs

	Materiality	KPI	
Environmental (E)	<ul style="list-style-type: none"> Active contributions to society-wide decarbonization through environmental impact reductions 	CO ₂ emission reductions	Scope 1 + 2: 46.2% reduction in FY2030 (compared to FY2021)
			Scope 3: 27.5% reduction in FY2030 (compared to FY2021)
Social (S)	<ul style="list-style-type: none"> Contributions to the building of resilient and sustainable infrastructure Ensuring safety and quality while making improvements to technical capabilities 	Frequency rate	0.00 (improvement compared to previous year)
		Severity rate	0.00 (improvement compared to previous year)
		Number of accidents requiring time off from work	0 (improvement compared to previous year)
	<ul style="list-style-type: none"> Promoting health and productivity management, and creating workplaces where all employees can enjoy peace of mind and feel excited by their jobs Respect for human rights, and promoting diversity and inclusion 	Periodic health checkup participation rate	100%
		Annual paid leave acquisition rate	80% or higher
		Male childcare leave acquisition rate	100%
Governance (G)	<ul style="list-style-type: none"> Promoting equitable and transparent management operations based on compliance rules and regulations 	The proportion of women in managerial positions	2.6% or higher by Mar. 31, 2031
		Number of workplace compliance training sessions (implementation rate)	Once per month for each department (100%)
		Number of information security training sessions (implementation rate)	Once per quarter for each department (100%)

Sumitomo Riko Company Limited

[Web](#) Sumitomo Riko Company Limited
CSR information

In preparation for its 100th anniversary in 2029, Sumitomo Riko formulated its long-term management vision “2029 Sumitomo Riko Group Vision (2029V)” in May 2023. In formulating it, while continuously setting “Global Excellent Manufacturing Company” as What the Corporate Group strives to be, we have identified that the Sumitomo Riko Group’s purpose is “To realize the comfort of the society by maximizing the potential of materials through Monozukuri” toward sustainable growth. What we strive to be is a “leading solution provider taking on social challenges by collecting whole resources of Sumitomo Riko and its partners” and we set three directions and six materialities for the realization of the ideal state of the Sumitomo Riko Group.

In fiscal 2023, based on the idea that it is essential for all employees across the world to share 2029V, all executives including the President visited locations at home and abroad to publicize 2029V as best they could. It was confirmed that 2029V was shared by 80% of them and a group-wide effort to achieve 2029V is going on smoothly.

Based on the Sumitomo Spirit, the Sumitomo Riko Group strives to solve social issues represented by the SDGs through technological innovation. We recognize that meeting the expectations of all stakeholders and fulfilling our social responsibilities will increase our social value, and by simultaneously increasing corporate value (financial targets) and public value (non-financial targets), we aim to create social value and grow sustainably together with society.

2029 Sumitomo Riko Group Vision (2029V) Public Value (Non-Financial Goals)

Engagement	Increase awareness of our management philosophy and vision and create a self-reliant relationship for employees and the company to mutually determine
Diversity and Inclusion	Ensuring a safe workplace for a diverse workforce and creating new value
Compliance	Ensuring compliance with laws and regulations and corporate philosophy within the Group and globally, including the supply chain
Human resource development	Develop self-reliant and highly ambitious personnel to open a path to the future
Global environmental conservation	CO ₂ emission reduction (compared to fiscal 2018) Scope 1+2 -30% Scope 3 -15%

Three directions and Six materialities to realize Our Vision

- | | |
|--|---|
| <p>1 Developing People and Peers Who Pioneer the Future</p> | <p>1 Providing training opportunities to promote individual growth and fostering a corporate culture full of job satisfaction.</p> <p>2 Promote Co-Creation through Internal and External Partnerships.</p> |
| <p>2 Building a Flexible and Strong Organization</p> | <p>3 Business Activities that Consider Climate Change and Natural Capital.</p> <p>4 Transformation into a Management Foundation that can Flexibly Respond to Changes in the Environment.</p> |
| <p>3 Creating Value for a Sustainable Society</p> | <p>5 Responding to next generation mobility and Providing Environmentally Friendly Products.</p> <p>6 Evolution and integration of technologies to expand provision of safety and comfort.</p> |

Case examples of activities at home and abroad designed to promote CSR activities

To promote CSR activities, our Group is working on a variety of activities including ones by domestic and overseas affiliates and global ones involving Group companies. We present some of such examples below.

Activities of European Environment & Sustainability Committee

In order to achieve sustainable development as the Sumitomo Electric Group and to contribute to the realization of a sustainable society, we established a new Area Committee in 2022: the Environment & Sustainability (E&S) Committee. To solve a wide range of problems, we created several sub-committees to address different facets of sustainability, namely (1) Carbon Neutrality, (2) Product Carbon Footprint*, (3) Supply Chain and (4) Corporate Sustainability Reporting Directive (CSRD)*.

Committee members are drawn from a wide range of departments across our European operations. 20 members from 7 regional companies meet online on average once a month to discuss the progress of each project and decide on the next steps. In addition, a large group meeting is held online every few months to bring together all the members of the various sub-committees to network and exchange ideas. Our two advisors with local business knowledge, who are the Sumitomo Electric Group Global Executives, participate in the advisory meeting to ensure the necessary overview and a close link to the decision-making level.

The E&S Committee has now created structures that will help SEG to tackle the major challenges it faces. Initial lighthouse projects, such as the joint double materiality assessment project for the CSRD disclosure, the selection of an IT solution for supply chain due diligence, and the selection and evaluation of several software solutions for calculating product carbon footprints, encourage us to continue tackling these challenges with the necessary enthusiasm.

➔ For the Area Committee please refer here



Members and Advisors of the European Environment & Sustainability Committee

Activities of TECHNO ASSOCIE Co., Ltd.

The Techno Associe Group is an engineering company centering on industrial components such as fasteners, metal working products and chemical products and provides products that meet customer demand in main market segments related to automotive, electronics, housing, industrial infrastructure and energy.

In the mid-term management plan "VISION2025," we share our recognition that our raison d'être and growth opportunities reside in our commitment to solving customers' problems and social problems, and we proceed with our business activities based on the Sustainability Basic Policy. We have the Sustainability Management Committee in operations as an organ designed to commit to sustainability and promote CSR activities, determining CSR priority issues to be addressed preferentially which consist of 10 items in total from three aspects, the environment, social norm, governance. We are tackling them on a company-wide basis.

As concrete activities, in terms of the environment, we are sourcing electricity from renewable energy, complying with regulations on chemical substances in products such as RoHS Directive and REACH regulation, and working on environmental protection and the control of global warming through contribution to the National Land Afforestation Promotion Organization's "Green Fund." Besides, we are expanding the sale of environmentally friendly products and parts (eco-products) leading to resource saving and energy saving. In response to Carbon Border Adjustment Mechanism (CBAM), which is effective from 2023 and in full operation from 2026, we are considering various measures.

In terms of social norm and governance, based on the CSR Procurement Guidelines designed to promote CSR activities not only at the Group but also at suppliers, we are promoting CSR activities involving suppliers. In addition to establishing the Policy on Human Rights to promote business activities based on the premise of respect for human rights, we commit ourselves to respect for human rights in all communities where we are running business operations in line with Code of Conduct while promoting human rights activities through human rights due diligence among others. Along with these efforts, the Techno Associe Group continuously works to contribute to society by making unique proposals while providing employees with various opportunities for capacity development and promoting diversity and inclusion to make use of diverse human resources.

We, as a member of the Sumitomo Electric Group, will strive to increase synergy and aim to become a company contributing to sustainable growth of society by promoting CSR activities in cooperation with the Sumitomo Electric Group.

Communication with suppliers

In line with the Techno Associe Group's procurement guidelines, Techno Associe conducts awareness-raising activities taking into account suppliers' actual situations. To suppliers who we think need improvement support as the result of CSR survey, we make suggestions for improvement communicating with them well. Also, by holding CSR procurement briefings, we convey the importance of promoting CSR activities in the entire supply chain including how to deal with human rights due diligence, to realize responsible procurement activities in cooperation with suppliers.



Environmental aspect in environmentally friendly products

①	Resource-efficient products (make effective use of resources)
②	Reusable/recyclable products (reduce waste)
③	Energy-efficient products (reduce CO ₂ emissions)
④	Products that use non-toxic chemicals (prevent environmental pollution)
⑤	Products that contribute to energy conservation when used (examples) Products used in eco-friendly vehicles, high-efficiency water heaters, LED light-related products, fuel cell installations, battery storage for natural energy, and eco-houses



CSR procurement briefing

Glossary

***Product Carbon Footprint:** A system for converting greenhouse gas emissions throughout the entire lifecycle of a product or service, from procurement of raw materials to disposal, into CO₂.

***Corporate Sustainability Reporting Directive (CSRD):** EU rules require large companies and listed companies to publish regular reports on the sustainability.

Environmental Management

Basic Approach and Policy

Basic Approach

The Sumitomo Electric Group considers addressing climate change and other global environmental issues to be one of its most important management issues. To continuously work on environmental conservation activities from a global perspective in accordance with our Environmental Policy established in 1997, we are promoting "Go for Green 2025," one of the Mid-term Management Plan 2025 targets.



"Go for Green" and its logo are trademarks or registered trademarks of Sumitomo Electric Industries, Ltd.

Environmental Policy (extract)

Established in July 1997 Revised in June 2024

Basic Philosophy

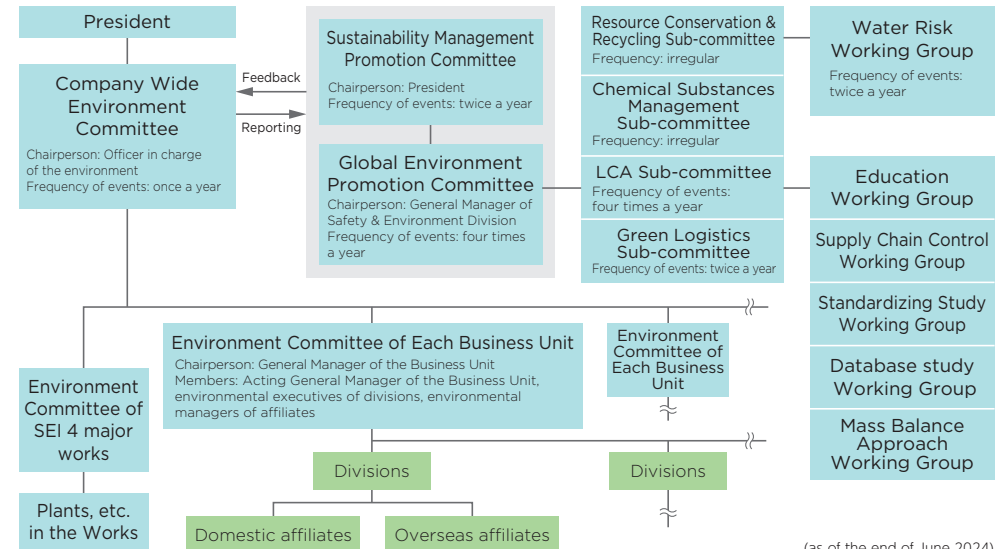
The Sumitomo Electric Group thinks it is primarily important to establish a society that is sustainable and has less environmental impact, and contributes to society by providing products and services.

Action Guidelines

- Considering environmental preservation activity is one of the most important issues for corporate management, the Sumitomo Electric Group promotes the activity based on its action plan.
 - Reduce environmental impacts in manufacturing activities
Prevention of global warming, circular economy, prevention of environmental pollution and conservation of biodiversity
 - Increase environmentally-conscious products and services
Introduction of products that help prevent global warming, phase-out of harmful substances and implementation of product assessment
- The Group will fulfill and enforce environmental management system.
 - Provision of educational programs on environmental preservation and implementation of environmental audits
- The Sumitomo Electric Group will maintain and improve compliance action.
- The Sumitomo Electric Group's Environmental Policy will be opened to the public upon request.

[Web](#) The entire text of Environmental Policy

Organizations for Promoting Environmental Management



(as of the end of June 2024)

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Operation for a Greener Global Environment ● Contribution to the Global Environment through Our Business ● Promotion of "Eco-Activities 2030" 	<ul style="list-style-type: none"> ● The targets in 11 of the 13 items were achieved in fiscal 2023, with 6 of the 11 expected to be achieved in fiscal 2025. (For details, see targets and results of "Go for Green 2025")

Targets for fiscal 2024 (single-year targets)

- Achievement of the fiscal 2024 targets in all items of "Go for Green 2025"
- Implementation of environmental audits in 20 sites
- Inspection of compliance with environmental laws and ordinances in 14 sites
- Raising the awareness of the social responsibility that companies should fulfill, in systematic environmental education

➔ See here for the results in fiscal 2023

Structure

Organizations for Promoting Environmental Management

The Company Wide Environment Committee deliberates and makes decisions on the Group's environmental preservation activities and oversees the activities on a global basis. For specific activities, the Environment Department works as the hub and promotes the Group's environmental conservation activities through the Global Environment Promotion Committee.

Management System

Our Group manages our environmental preservation activities systematically and is working on continuous improvement. To ensure the promotion of environmental management, we have external certification ISO14001 environmental management system, with 214 out of 382 companies (acquisition rate 56%) in consolidated subsidiaries covered by the certification as of April 2024.

[Web](#) List of companies with ISO 14001 certification (excluding listed subsidiaries)

Go for Green 2025

To grasp global environmental activities for which societal demand is growing in a broader sense and contribute to the realization of a greener society through active expansion and promotion of our own campaign, the Group is working on "Go for Green 2025." It consists of three core activities: Operation for a Greener Global Environment; Contribution to the Global Environment through Our Business; and Promotion of "Eco-Activities 2030." The targets for fiscal from 2023 to 2025 are detailed below. Greenhouse gas emissions reduction, adoption of renewable energy, conservation of biodiversity, and promotion of environmental preservation activities are set as the midterm goals of fiscal 2030.

The first item "Operation for a Greener Global Environment" mainly concerns itself with

production activities and is the approach from our and the supply chain's decarbonization, enhancement of life cycle assessment (LCA), and circular economy, which prevents environmental pollution. The second item "Contribution to the Global Environment Through Our Business" urges our Group to make further green contribution by setting a goal of expanding sales of products and services contributing to a greener society as well as Eco products designed to reduce environment load through their own performance. The third item "Promotion of Eco-Activities 2030" is an activity that contributes to conservation of biodiversity and environmental preservation by accumulating day-to-day ecological activities in each business once such as tree-planting, local nature conservation activities, and conversion of waste into valuable materials through waste sorting.

Targets and Results of "Go for Green 2025" (Note 1)

Part	Project details	FY2023 Targets	Results in FY2023	Evaluation	FY2024 Targets	FY2025 Targets	Page	
Operation for a Greener Global Environment	Decarbonization	(1) Reduce greenhouse gas emissions (Scope 1+2) (from FY2018) (Note 1) (Note 2)	12.5% reduction (Note 3)	15.0% reduction	○	15.0% reduction	17.5% reduction (Note 3)	P20-22
		(2) Reduce greenhouse gas emissions (Scope 3) (from FY2018)	Higher accuracy of emissions calculation	Agreed to emissions survey (the top 98 emitter suppliers) Agreed to prepare an emissions policy plan (the top 10 emitter suppliers)	○	7.5% reduction	8.7% reduction (Note 3)	
		(3) Reduce energy consumption per unit of sales (Note 2) (from 2021-2022 average ratio)	3.3% reduction	16.9% reduction	◎	6.6% reduction	10% reduction	P23
		(4) Adopt renewable energy (Note 2)	Increase by 22 MW (Note 3)	Increase by 32.0 MW	○	Increase by 30 MW	Increase by 40 MW (Note 3)	P20-22
		(5) Reduce CO ₂ emissions from logistics per basic unit (Note 2) (in Japan) (from FY2018)	5% reduction	11.9% reduction	◎	6% reduction	7% reduction	
	Circular economy	(1) Waste recycling rate (Note 2)	92%	91.2%	△	93%	94%	P28-29
		(2) Reduce waste discharged per unit of sales (Note 2) (from FY2022)	1% reduction	9.5% reduction	◎	2% reduction	3% reduction	
		(3) Reduce water use per unit of sales (Note 2) (from FY2022)	1% reduction	10.9% reduction	◎	2% reduction	3% reduction	P24-25
	Prevention of environmental pollution	(1) Environmental incident (Note 4)	zero	1 case	△	zero	zero	P18
		(2) Reduce PRTR-designated substances emissions (in Japan) (from FY2022)	1% reduction	15.4% reduction	◎	2% reduction	3% reduction	P26-27
Contribution to the Global Environment through Business	Contribution to a greener environmental society	(1) Green contribution sales (Note 5)	500 billion yen	553.2 billion yen	○	600 billion yen	700 billion yen	P31
	Eco products	(2) Eco products sales	950 billion yen	1 trillion 745.2 billion yen	◎	975 billion yen	1 trillion yen	
Promotion of Eco-Activities 2030	Eco-Activities 2030	(1) Conserve biodiversity and promote environmental preservation activities	220 cases (Note 3)	248 cases	○	235 cases	250 cases (Note 3)	P30

(Note 1) The boundary is Sumitomo Electric and its consolidated subsidiaries (excluding listed subsidiaries).

(Note 2) Manufacturing sites

(Note 3) Interim target for 2030

(Note 4) The boundary is environmental facilities such as effluent treatment facilities, waste gas cleaning facilities, chemical tank, and waste storage sites and production equipment.

(Note 5) The boundary is Sumitomo Electric and its consolidated subsidiaries.

Evaluation legends for each target

◎: Performance far exceeding the target (the target set for fiscal 2025 was already achieved), ○: Target achieved.

△: Target not achieved (performance improved from the previous fiscal year), ▽: Target not achieved (performance similar to that in the previous fiscal year).

▼: Target not achieved (performance deteriorating from the previous fiscal year).

Initiatives

Measures and Activities for the Environmental Risk Management Items of Sumitomo Electric

We examine measures to address risks and problems and reflect them in the action

Main environmental risks and countermeasures

Risk Factor		Impact	Countermeasures and Activities
Climate change	Physical risks	Temperature rise	Reduction of greenhouse gas (evaluation, investment, and activities) Use of renewable energy
		Sea level rise	
		Increase in the size and frequency of typhoons	
	Regulatory risks	Regulations on atmospheric emissions and effluent discharge	Implementation of detailed environmental audits
		Carbon pricing	Reduction of greenhouse gas (evaluation, investment and activities)
		Reduction of greenhouse gas emissions	
Display of environmental labels		Development and marketing of eco-friendly products	
Renewable energy	Cost reduction and promotion of renewable energy		
Water	Physical risks	Supply shortage, seasonal and interannual fluctuations	Reduction of water withdrawal, formulation of emergency countermeasures, development of infrastructure
		Flood and drought	
		Deterioration of water quality	
	Regulatory risks	Restriction on water withdrawal/discharge	
		Soaring water prices	
	Reputation risks	Opposition from the local community	
Negative media coverage			
Waste	Difficulty in the disposal due to disqualification of the disposer, etc.	Reduction and recycling of waste, management of the disposer through on-site checks	
	Notification of difficulty in the disposal from the disposer		
Chemical substances	Certification that no prohibited substances are contained in products	Evaluation at the development stage and management at the purchase and manufacturing stages	
Environmental incidents	Shut-down (suspension) of operation	Prevention through environmental audits	
Non-compliance with law	Shut-down (suspension) of operation	Implementation of detailed environmental audits	
	Payment of fine		

(Direct risks) Investment in equipment for responses to regulations, increases in energy cost, restriction on energy use, shut-down (suspension) due to wind or water damage
 (Indirect risks) Increases in the costs of raw materials, energy, water, waste, etc., suspension of operation due to an incident or non-compliance with law

Education and Training

We provide systematic education programs on environmental conservation

To realize environmental management, the Group works to enhance every employee's environmental awareness and knowledge. We provide all employees with education on the Group's environmental policy, Company wide environmental conservation activities and the

history of measures to preserve the global environment. Position-based training, in addition to focusing on our Group's approaches to the environment and environmental laws, engages in practical training including on-site inspections of environmental facilities, added in the training in 2014, intended to enhance environmental management awareness. Besides, even under

situations where it is difficult to organize face-to-face training due to the impact of the COVID-19 pandemic, we addressed them by improving and increasing e-learning materials. We also organize technical education on chemical management and other issues on a regular basis.

➔ See here for the results of the training

Environmental Audits

We implement audits of overseas sites, as well as sites in Japan, according to the environmental laws in overseas countries and regions

In addition to audit based on ISO 14001, the Group has environmental audits carried out by the Environment Department to ensure compliance with laws and regulations and reduce environmental impact, covering (1) the status of compliance with environmental laws, (2) maintenance and management of environmental facilities and manufacturing equipment. For fiscal 2022 and onwards, we conduct triennially either environmental audits that inspect both (1) and (2), or inspection of compliance with environmental laws that only covers (1) depending on the potential environmental risk at each site, such as the presence or absence of hazardous substances.

(1) Inspection of the status of compliance with environmental laws

We gather information on laws and regulations in countries and regions where

our overseas sites are located utilizing external services and we, based on those laws and regulations, carry out the inspection. In addition to legal compliance, we also inspect systems to prevent omission of reports to government and management of effluent quality based on voluntary standards stricter than regulation values.

(2) Inspection of environmental facilities and manufacturing equipment

Mainly from the perspective of the prevention of leakage and spillage, we inspect chemical tanks that store hazardous substances and oil, the main bodies of water quality facilities including effluent treatment facilities, ancillary facilities such as pipes, and waste storage site.

➔ See here for the results of environmental audits

Soil and Groundwater Remediation

We disclosed the pollution status of three major Works (Osaka, Itami and Yokohama) in August 2001. At those three Works and other domestic sites where pollution has been identified through our surveys conducted thus far, we are continuing soil and groundwater remediation by soil replacement, groundwater pumping and soil gas absorption. We also conduct groundwater monitoring on a regular basis, and have confirmed that the pollution has not spread outside the sites.

Information Disclosure of Climate Change

Sumitomo Electric is promoting "Go for Green 2025", one of the targets of Mid-term Management Plan 2025 to address climate change. Regarding financial impact from climate change, we disclosed four items related to climate change, namely: Governance, Strategy, Risk management, and Metrics and Targets; and we also shared our scenario analysis in May 2022 in line with the TCFD* recommendations.

Although TCFD was disbanded in October 2023, the monitoring the progress of companies' climate-related disclosures has been taken over by the International Financial Reporting Standards (IFRS) Foundation. Information disclosure based on the TCFD recommendations continues to be effective.

 [Details of information disclosure of climate change in line with the TCFD recommendations](#)

Glossary

*TCFD: A task force (Task Force on Climate-related Financial Disclosures) established by the Financial Stability Board (FSB) at the request of the G20 (Summit on Financial Markets and the World Economy). The TCFD recommended to analyze and disclose the risks and opportunities related to climate change, along with the impact of greenhouse gas-induced temperature rise on organization's financial conditions.

Results in Fiscal 2023

Targets for fiscal 2023 (single-year targets) and Results

Targets for fiscal 2023 (single-year targets)	Results in FY2023
<ul style="list-style-type: none"> Achievement of "Go for Green 2025" targets for all 13 items for FY2023 Implementation of environmental audits in 16 sites Inspection of compliance with environmental laws and ordinances in 17 sites Raising the awareness of the social responsibility that companies should fulfill, in systematic environmental education 	<ul style="list-style-type: none"> The targets in 11 items excluding waste recycling rate and environmental incident were achieved Implementation of environmental audits in 16 sites Inspection of compliance with environmental laws and ordinances in 17 sites Provided training to 3,296 persons (e-learning included)

➔ See here for the results of each item in "Go for Green 2025"

Environmental incident

In our Group, in the event of the occurrence of incidents that could lead to environmental pollution such as exceeding of the effluent standard value or chemical liquid spills, the Environment Department will receive notification of incident occurrence from the site concerned or the responsible division for the site. Then the Environment Department will disseminate the information of the occurrence of an environmental incident through the whole company to raise awareness. After that, the department concerned will take the initiative on investigating the cause and considering countermeasures. The Environment Department has established a framework to check the cause and measures and disseminate then and key points on the environmental incident concerned all through the Group.

As an environmental incident in fiscal 2023, an affiliate in Japan reported that the effluent concentration exceeded the regulation value. This incident was to do with the effluent reduction accompanied by changes in the operation procedures of the facilities concerned. Measures were taken by improving the method of managing the discharged water to stabilize its amount. As a result, the effluent concentration is stably kept low. In addition, we are going to have the waste treatment facility upgraded. Needless to say, we reported this incident to proper authorities.

We are going to keep track of laws and regulations in each area and ensure compliance with them to prevent environmental pollution.

Education and Training

Results of Training in Fiscal 2023

Title of the training	Number of participants	Total (Note)
Position-based environmental training	1,139	5,046
Training on the notification of facilities subject to environmental laws	343	823
Environmental laws training	1,108	4,182
Chemical substance management supervisor training	179	5,130
Summary of and how to deal with the PRTR system	157	288
Training on energy saving design	26	65
Life cycle assessment (LCA) seminar	344	2,315
Total	3,296	17,849

(Note) Total for 5 years from fiscal 2019

Environmental Accounting

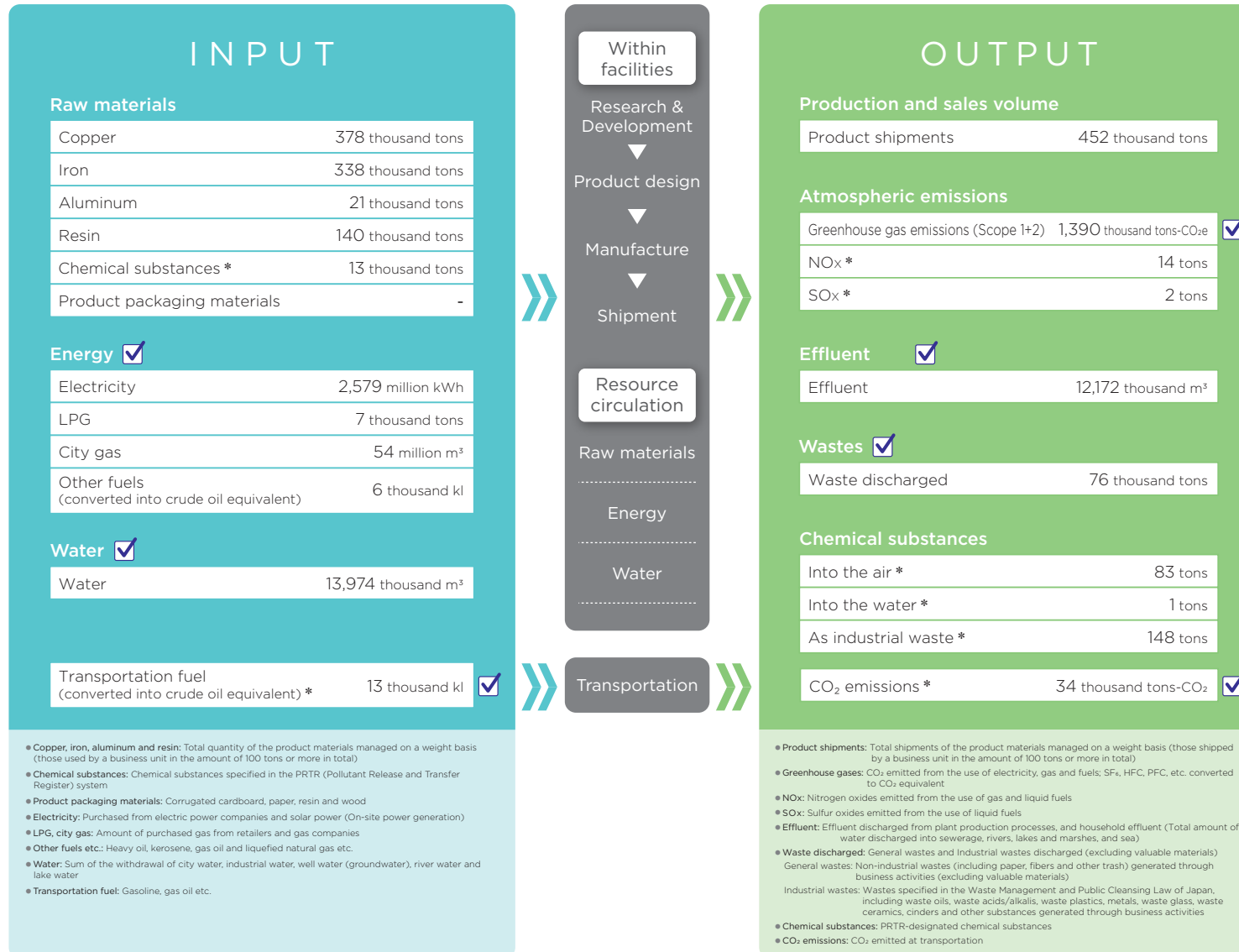
Our Group quantifies and analyzes the costs of environmental preservation such as antiwarming measures and the resulting economic effects.

	Financial items									Non-financial items	
	Investment (million yen)			Expense (million yen)			Economic effect (million yen)			Change factors in FY2023 (in Japan)	Strategy/ Opportunity and risk
	2021	2022	2023	2021	2022	2023	2021	2022	2023		
Reduction of greenhouse gas emissions	Investment to reduce greenhouse gas emissions			/			Reduction of energy cost			Greenhouse Gas emissions (Note) (thousand tons-CO ₂ e/year) 	We set the reduction of greenhouse gas emissions by 12.5% from the fiscal 2018 level as a KPI for fiscal 2023 and ended up in 15.0% reduction in fiscal 2023 (manufacturing sites in Japan and overseas). These activities are also important for the reduction of energy cost as a result of making various energy saving efforts. The knowledge learned through the activities is also introduced into overseas Group companies.
	2,537	3,652	4,217				209	470	668		
Waste reduction	Investment in resource saving and recycling			Waste disposal cost			Sale of valuable materials			Amount of waste (excluding valuable materials) (Note) (thousand tons/year) 	We set the target of reducing the amount of waste per unit of sales in fiscal 2023 by 1% from the fiscal 2022 level and as a result of taking various resource-saving measures, we achieved a 9.5% reduction (manufacturing sites in Japan and overseas). To reduce waste discharged, we are working to improve yield rate, reduce the amount of waste acid, waste alkali, and waste oil, separate plastics and other materials in detail, and convert waste into valuable materials.
	0	0	4	1,395	1,352	1,575	303	36	43		
Cost of management activities	/			733	1,205	895	/			Cost of environmental organization, ISO 14001 registration and maintenance, etc.	ISO 14001 is the core of our environmental management activities, and the certification is requested by customers.
Cost of social activities				5	6	33				Cleanup of areas outside company sites, external environmental education, etc.	We consider cleanup of the neighboring areas as a basic social activity, and will continue our commitment to communication with local communities through this initiative.
Cost of environmental remediation	/			20	9	119	/			Restoration of contaminated soil and groundwater, etc.	We continuously restore the contaminated soil and groundwater identified in our facilities.

(Note) Boundaries of data integration items with Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries). The performance results of Nissin Electric Co., Ltd. ,which has been a wholly-owned subsidiary since 2023, and of its group companies are included.
 Change due to boundaries change: Emissions or amount of waste in fiscal 2022 from the boundaries of collection newly added or excluded in fiscal 2023 (no boundaries were newly added or excluded in this fiscal year).
 Change due to sales change: [Emissions or amount of waste in fiscal 2022 from the boundaries of collection for fiscal 2023] × (Sales in fiscal 2023 / Sales in fiscal 2022 - 1)
 Actual change: Calculated by subtraction

Material Balance (Environmental Impacts)

The Group quantitatively assesses the environmental impact generated by all business activities, and is working to reduce and manage the impact appropriately. We summarize the amount of energy and resources invested in business activities (Input) in fiscal 2023 and the resulting products and substances of environmental concern (Output).



The Boundary of Data Collection for Environmental Indicators

The boundaries of the environmental management of the Sumitomo Electric Group is the manufacturing sites. Although the listed subsidiaries and their group companies are included in the boundaries of financial consolidation, these companies are excluded from the boundaries of the environmental management of the Sumitomo Electric Group, because the action targets and the promotion framework on the environment are currently not shared with our Group. But Nissin Electric Co., Ltd., which was delisted on April 27, 2023, and its group companies have been included in the boundary since fiscal 2023.

With the assessment based on greenhouse gas (GHG) emissions, a representative environmental indicator, 82% of the GHG emissions (Scope 1+2) of the Sumitomo Electric Group in fiscal 2023 was included in the boundary of environmental management. Thus we report most emissions.

- Boundaries of financial consolidation (manufacturing sites)
1.681 million t-CO₂e (284 companies)
- Boundaries of the environmental management (manufacturing sites)
1.390 million t-CO₂e (173 companies*)

* 173 companies of manufacturing sites (46 in Japan, 86 in Asia, 20 in the Americas, 21 in Europe and other)

Boundaries of data integration Items with *: Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries); Items without *: Sumitomo Electric + consolidated subsidiaries that have manufacturing sites (excluding listed subsidiaries)

(Note) Transportation fuel (converted into crude oil equivalent) and CO₂ emissions exclude Nissin Electric Co., Ltd. and its group companies.

Reduction of Greenhouse Gas Emissions

Basic Approach and Policy

At the Sumitomo Electric Group, toward achieving the medium to long-term target of reducing the greenhouse gas (GHG) emissions (Scope 1+2) generated inhouse, by more than 30% from the fiscal 2018 level by fiscal 2030, we have the aim of reducing 2.5% every year. To attain the target, we are going to promote the utilization of solar power generation and storage batteries in addition to energy-saving activities. We will also consider sourcing green electricity* with its risks taken into account to reduce GHG efficiently.

CO₂ emissions in transportation is subject to the Scope 3 calculation, indirect scope of

responsibility related to our Group's business activities. Thus, unlike the target of the above-mentioned GHG emissions (Scope 1+2), the target of Scope 3 stands at more than 15% reduction by fiscal 2030 from the fiscal 2018 level. While responding flexibly to customers' changing demand, we will continue to make steady efforts such as expanding the use of railroad containers and coastal services, improving the loading ratio of trucks leading to reduced truck services to ensure the attainment of the GHG emissions target.

Structure

We are promoting the reduction of GHG on a company-wide basis through the Global Environment Promotion Committee, to which executives from each department belong as members. In addition, to adopt renewable energy, to structure a net zero plant model and to promote the spread of such a plant in a systemic manner, we established the "Net Zero Factory Promotion Group" in 2023. With the group gathering information and findings on various environmental methods such as creating energy (creating green electricity in-house through solar power generation, etc.) and purchasing energy (the purchase of green electricity), and

proposing GHG emission reducing methods according to divisions' needs and acting as a hub for connecting between divisions and the Corporate Staff Group, our Group, as one, will be working on the activity of reduction of greenhouse gas emissions.

Besides, The Green Logistics Sub-committee, whose sessions are held twice a year, provides education to each Group company to promote sharing of information on the results of CO₂ reduction in transportation and company-wide efforts for it.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> Reduction in CO₂ emissions (% reduction vs 2018) ^(Note 1) Scope 1+2: 17.5% reduction Scope 3 : 8.7% reduction 	<ul style="list-style-type: none"> Reduction in CO₂ emissions (% reduction vs 2018) ^(Note 1) Scope 1+2: 17.4% reduction Scope 3 : 21.4% increase

(Note 1) The boundary is Sumitomo Electric and its consolidated subsidiaries that have manufacturing sites. Actual results: See the ESG data on P71.

Targets for fiscal 2024 (single-year targets)

Operation for a Greener Global Environment (Decarbonization)

- Reduce greenhouse gas emissions (Scope 1+2) ^(Note 2) 15.0% reduction (from FY2018)
- Reduce greenhouse gas emissions (Scope 3) ^(Note 2) 7.5% reduction (from FY2018)
- Adopt renewable energy Increase by 30 MW
- Reduce CO₂ emissions per unit of sales in logistics (in Japan) 6% reduction (from FY2018)

(Note 2) The boundary is Sumitomo Electric and its consolidated subsidiaries that have manufacturing sites (excluding listed subsidiaries).

➔ See here for the results in fiscal 2023

Initiatives

Reduction of Greenhouse Gas Emissions

Our Group, in addition to promoting self-help efforts such as thorough energy saving and the expansion of the adoption of renewable energy including solar power generation, pays attention to the entire society's GHG-related trends such as electricity companies' fluctuating GHG emission factor and the supply-demand balance of green electricity while minimizing risks in achieving GHG emissions reduction targets (Scope 1+2).

With the number of suppliers from whom our Group purchases raw materials and parts exceeding 10,000, to reduce emissions belonging in Scope 1 efficiently, we selected top 100 emitter companies mainly from

material manufacturers working on copper, iron and steel, aluminum, synthetic resin, which account for large quantities of emissions, for preferential supplier engagement. We explain to those top emitter companies our policy, asking them to report their emissions to us and to work with us to reduce emissions.

When it comes to the adoption of renewable energy, the Environment Department and the Procurement Division newly formulated the "Medium- to Long-term Renewable Energy Procurement Guidelines" in fiscal 2023. Based on the guidelines, we are going to introduce in a rational and systematic way energy creation that can be realized in various ways including on-site and off-site PPA to reduce GHG emissions.

Glossary

- *Green electricity:** Electricity generated using energy free of greenhouse gas such as sunshine, wind, water, and geothermal heat
- *PPA:** Power Purchase Agreement. A system in which power generated in a power facility that is installed and maintained at the expense of a PPA operator is provided to consumers as paid service. The on-site PPA allows an on-site facility to provide power, while the off-site PPA an off-site facility to do so.

Results in Fiscal 2023

Greenhouse Gas Emissions in FY2023 (Emissions by Scope) (Note 1)

(thousand tons-CO₂e/year)

Scope 1	214	✓
Scope 2	1,176	✓
Scope 1 + Scope 2	1,390	✓
Scope 3 <small>(Note 2)</small>	26,597	
Category	Description	
1	Purchased goods and services	14,446
2	Capital goods	542
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	260
4	Upstream transportation and distribution	37
5	Waste generated in operations	30
6	Business travel	38
7	Employee commuting	84
8	Upstream Leased Assets	-
9	Downstream Transportation and Distribution	-
10	Processing of Sold Products	-
11	Use of Sold Products	11,158
12	End-of-Life Treatment of Sold Products	2
13	Downstream Leased Assets	-
14	Franchises	-
15	Investments	-

For Category 4 of Scope 3 mentioned above, Sumitomo Electric and domestic consolidated subsidiaries with production facilities (excluding listed subsidiaries and Nissin Electric Co., Ltd. and their group companies) contribute 34 thousand tons-CO₂ ✓.

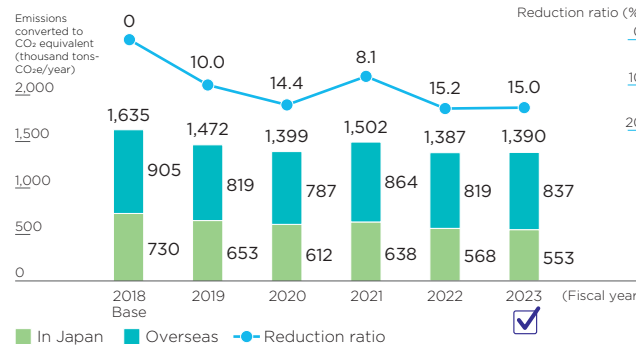
(Note 1) Sumitomo Electric + consolidated subsidiaries that have manufacturing sites (excluding listed subsidiaries).

(Note 2) (-) indicates that the calculation method is under consideration or the category is not applicable.

Reduction of Greenhouse Gas Emissions (Scope 1+2)

Setting 12.5% as the reduction target for fiscal 2023, we achieved the target, reducing by 15.0% from fiscal 2018 level (by 17.4% with listed subsidiaries included). This is due not only to self-help efforts including advanced efficiency of equipment, promoted "Energy Saving 200 Kaizen" activities, the introduction of solar power equipment, the reduction in GHG emissions from non-energy sources such as SF6, but also to the reduction in electricity companies' GHG emission factor. We will go on pursuing GHG emissions reduction activities.

Greenhouse Gas Emissions (Scope 1+2) and Reduction Ratio (in Japan and overseas)



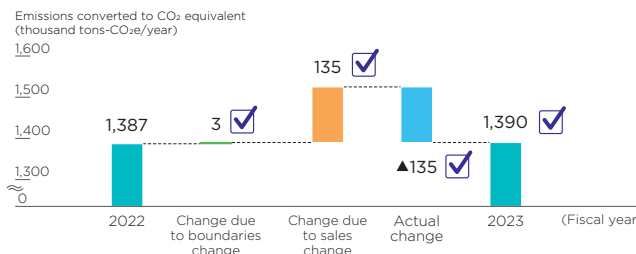
(Note) The amount of GHG emissions (Scope 1+2) for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2018.

Greenhouse Gas Emissions by Energy-related (Scope 1+2)

(thousand tons-CO₂e/year)

	2018	2019	2020	2021	2022	2023
Energy-related	1,526	1,374	1,289	1,397	1,312	1,326
Non-energy-related	109	98	110	105	75	64

Factor Analysis of Changes in Greenhouse Gas Emissions (Scope 1+2) (in Japan and overseas)

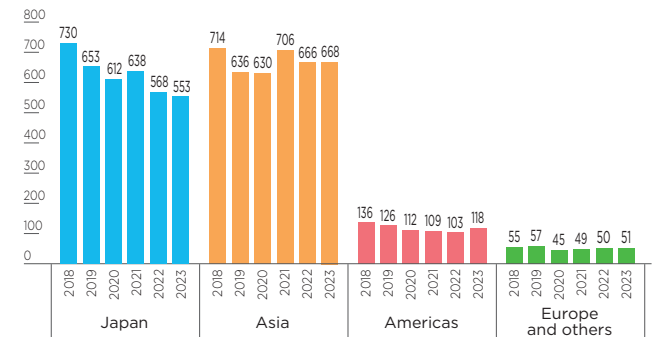


(Note 1) Change due to boundaries change: Emissions in fiscal 2022 from the boundaries of collection newly added or excluded in fiscal 2023.
Change due to sales change: Emissions in fiscal 2022 from the boundaries of collection for fiscal 2023 * (Sales in fiscal 2023 / Sales in fiscal 2022 - 1)
Actual change: Calculated by subtraction

(Note 2) The amount of GHG emissions (Scope 1+2) for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2022.

Greenhouse Gas Emissions (Scope 1+2) from the Global Operations of the Sumitomo Electric Group by Region

Emissions converted to CO₂ equivalent (thousand tons-CO₂e/year)



(Note) The amount of GHG emissions (Scope 1+2) for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2018.

Adoption of renewable energy

In fiscal 2023, 14.5MW solar power equipment was introduced in four locations in Japan and 14 overseas locations mainly in Asia, North America and Europe, which resulted in 32.0MW of accumulated amount introduced, exceeding the target of 22MW. We are going to carry on promoting the introduction of renewable energy.

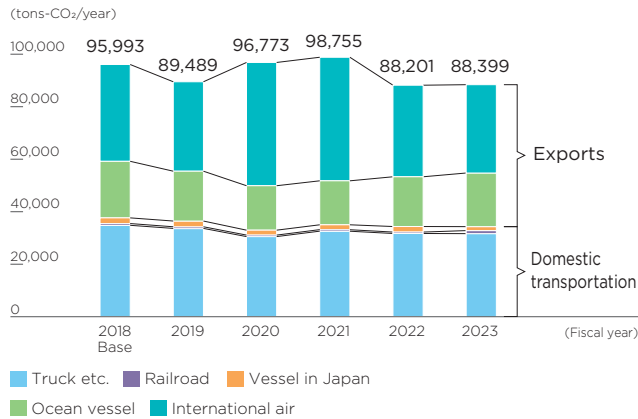
Reduction of Greenhouse Gas Emissions (Scope 3)

While asking 98 of the top 100 emitter suppliers to report emissions of products intended for us annually, we asked the top 10 emitter suppliers to start devising and carrying out their reduction plan starting fiscal 2023. We will continue to enhance and expand supplier engagement to reduce emissions in the entire supply chain.

Changes in CO₂ Emissions from Transportation

Total CO₂ emissions from domestic transportation and exports in fiscal 2023 remained unchanged from the fiscal 2022 level (up 0.1%). Among these, CO₂ emissions from domestic transportation (by truck, etc., railroad or vessel in Japan) reduced by 0.1%. CO₂ emissions from exports (by ocean vessel or international air) increased by approximately 4.5%. The latter is due to an increase in the use of ocean vessels resulting from demand recovery.

CO₂ Emissions from Transportation by the Sumitomo Electric Group by Year



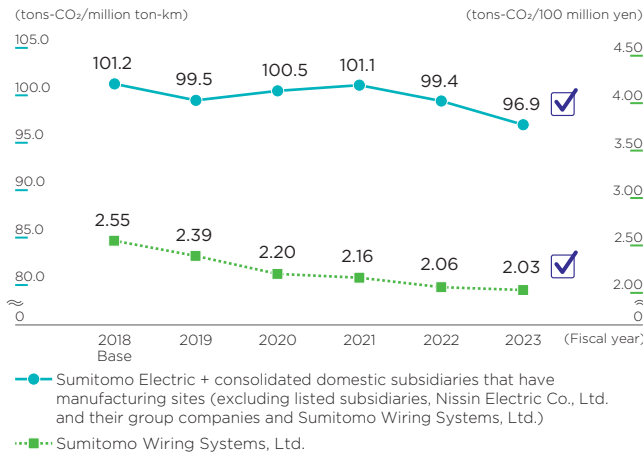
(Note) Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries and Nissin Electric Co., Ltd. and their group companies).

Reduction of CO₂ Emissions from Transportation per Basic Unit in Japan

Per basic unit CO₂ emissions from domestic transportation in fiscal 2023 reduced by 4.3% in the Sumitomo Electric Group (refer to the legend in the table below) and reduced by 20.2% in Sumitomo Wiring Systems, Ltd. and its group companies (Sumitomo Wiring Systems Group) compared to the base year, down 11.9% in combined total, significantly exceeding the target of 5%.

Compared to the previous year, in Sumitomo Electric, this improvement resulted from the growing use of domestic vessels and railroads by customer demand for a long distance transport in the aerial line business and the industrial wire business. In Sumitomo Wiring Systems Group, the recovery from the COVID-19 pandemic and the semiconductor supplying issue led to the increase in order volume. As a result, vehicle size classes changing according to the consolidation of truck services and cargo volume was realized, with the result that the loading ratio of trucks improved, which led to Sumitomo Wiring Systems Group's successful reduction in per-unit CO₂ emissions. We will continue our steady efforts from a medium-to long-term perspective and make group-wide efforts to reduce CO₂ emissions from transportation.

Trends in CO₂ emissions from Transportation Per Basic Unit in Japan



Eco Rail Mark *

Sumitomo Electric has acquired certification as a company engaged in the initiatives of Eco Rail Mark from the Railway Freight Association.



Glossary *Eco Rail Mark: A certification mark awarded by the Ministry of Land, Infrastructure, Transport and Tourism, Government of Japan. The use of the mark is allowed only for products or companies that use rail transportation, which generates relatively less CO₂ emissions and is therefore environmentally friendly, in accordance with designated criteria. The mark included in packages and advertisements of products serves as a judgment standard for customers' purchase decisions.

Energy Productivity Improvement

Basic Approach and Policy

Efficient use of energy is a very important theme not only for improvement in competitiveness but also for the prevention of global warming. The Sumitomo Electric Group thus aims to reduce energy consumption per unit as well as the absolute amount of greenhouse gas (GHG) emissions, promoting energy-saving activities as the foundation of GHG emissions reduction activities and production activities. The Group is particularly focusing on the reduction of fixed energy that is not in tandem with production volume and active examination of the introduction of energy saving-related new technologies and renewable energy.

Structure

Our Group is promoting corporate GHG emissions reduction through the Global Environment Promotion Committee. The Environment Department has been supporting business divisions largely in terms of energy saving. To promote the introduction of renewable at the same time, the "Net Zero Factory Promotion Group" was established in 2023.

collecting information about new technologies leading to energy reduction and evaluating them in an effort to support the introduction of new

technologies that meet business divisions' needs to reduce energy consumption significantly.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Reduction in CO₂ emissions ● Reduce energy consumption per unit of sales 10% reduction (from 2021-2022 average ratio)	Reduction in CO₂ emissions ● Reduce energy consumption per unit of sales 16.9% reduction (from 2021-2022 average ratio)

Targets for fiscal 2024 (single-year targets)

Operation for a Greener Global Environment (Decarbonization)

- Reduce energy consumption per unit of sales 6.6% reduction (from 2021-2022 average ratio)

Initiatives

Toward Energy Productivity Improvement

The Environment Department and business divisions have a quarterly dialogue on energy productivity improvement. In the dialogue, the department checks progress in energy per-unit reduction and gathers issues. They share useful information, such as an example of introducing a new energy-saving technology, to promote resolving the issues. Such useful information is also disseminated on a group-wide scale through the Global Environment Promotion Committee and the decarbonization portal website. In addition,

to promote the initiative on energy productivity improvement, we encourage promoting investment to reduce greenhouse gases by setting a budget for investment in CO₂ reduction facilities and new technologies, as well as implementing the activity, Energy Saving 200 Kaizen, for operational improvements. Since fiscal 2023, we have been working on the reduction in standby power by visualizing per equipment energy consumption using IoT devices. Besides, the Environment Department is

CSR VOICE

Reduction in standby power using IoT infrastructure



Ochiai Toshihiro
Environment Department, Safety & Environment Division, left in the photo

Teki Sei
IoT Promotion Department, IoT R&D Center, right in the photo

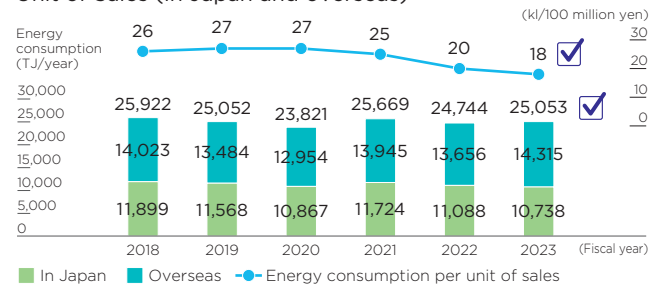
In our Group, each business division is working on energy saving to achieve the targets put forward by "Go for Green 2025." Energy saving has mainly concerned the Equipment Division, as illustrated in upgrading of air conditioning, but to further promote energy saving, focusing on daily kaizen activities at a plant level was necessary. The Environment Department visualized idle standby power while equipment was offline using the Company's IoT infrastructure including "M2M* wireless sensors" and "Monozukuri-Navi*" developed by the Company's IoT R&D Center. As a result, waste became easier to spot, which accelerated energy saving and produced a case in which standby power could be halved in no more than one month. We are going to continue promoting the Group's energy-saving activities in cooperation with the Center.

Results in Fiscal 2023

While energy consumption in fiscal 2023 remained nearly unchanged from the previous year because of each business division's promotion of energy saving, the energy consumption per unit of sales reduction rate

stood at 16.9%(*) due to increased sales, significantly exceeding the target of 3.3%. By business segment, the automotive segment made a particularly large contribution.

Energy Consumption and Energy Consumption per Unit of Sales (in Japan and overseas)



*The baseline amount of energy consumption per unit of sales was 22.22kl/100 million yen (fiscal 2021-22 average), and the fiscal 2023 result was 18.47kl/100 million yen, with the energy consumption per unit of sales reduction rate standing at 16.9%. (Note) The amount of energy consumption for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2018.

Glossary

*M2M: Machine-to-Machine. Machine-to-machine communication without human interventions

*Monozukuri-Navi: Generic term for the Company's own IoT base tool and system needed for data collection, data storage, data visualization and analysis

Water Resource Management

Basic Approach and Policy

These days, water resource problems are also becoming visible as one of the risks that can affect the operation of the Sumitomo Electric Group and institutional investors and clients require us to respond to the problems to sustain the operation. In addition to the shortage of water supply, water-related issues include deterioration of water quality, flood damage, tightening of relevant government regulations and relationships with communities in the neighborhood. The Group is working to understand the current situation of these issues and taking measures to address them. In fiscal 2017, we set an activity goal of "Establishing a group-wide system to ensure that the manufacturing sites around the world independently understand the current situation of water risk, if any, identify the issues and design and implement measures to address them."

Structure

In January 2018, we set up Water Risk Working Group with members recruited from divisions and affiliates to establish a system to promote the campaign. It is a sub-organization of the Resource Conservation & Recycling Sub-committee, one of the expert committees that provide technical support to the Company Wide Environment Committee, and holds its sessions twice a year. As in fiscal 2022, the Group's key activities in fiscal 2023 are having a dialogue with the sites with high water risks to identify water risk factors and take measures against them and considering a long-term vision of water risks.

Initiatives

Reduction of Water Use (Water withdrawal)

To address water supply shortage, one of the water issues, the Group has been promoting activities to reduce water use since fiscal 2008. In fiscal 2008, we set a target of reducing water use and have since been working to reduce water use per unit of sales by 1% per year. In the course of the reduction activities, we identify water leakage in our facilities and address it while also working to reduce water withdrawal through such initiatives as the reuse of effluent that used to be discharged.

Evaluation of Water Risks on a Global Scale

We have evaluated water risks indicated by 13 indicators in total, including water quantity, water quality, regulations according to local laws and relations with neighboring communities, on a five-point scale by using Aqueduct*, which is a tool to evaluate such risks in Japan and overseas manufacturing sites. As in fiscal 2022, we

focused on floods and droughts in fiscal 2023 and identified priority sites with high risks and significant challenges. This evaluation method calculates a risk point (RP) on floods and droughts for each site based on the evaluation of four risk items, which are river flooding, coastal flooding, water depletion and dry weather, on a five-point scale first and then evaluates the sites based on "the probability of occurrence of water risks" (the RP mentioned above) and "the magnitude of the impact when a risk occurs" (on sales or water use) as the two axes to recognize the sites in the red zones of the matrix as those with important issues. As a result, the number of sites with important issues on floods and droughts increased to five from four, and to two from one, respectively.

With Aqueduct's water stress data renewed for the first time since 2019, the number of our sites located in "Extremely High areas" doubled from 12 in fiscal 2019 to 24 in fiscal 2023, and the water withdrawal amounts to 1,204 m³ (9% of overall water withdrawal).

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Promoting circular economy ● Reduce water use per unit of sales 3% reduction (from FY2022)	Promoting circular economy ● Reduce water use per unit of sales 10.9% reduction (from FY2022)

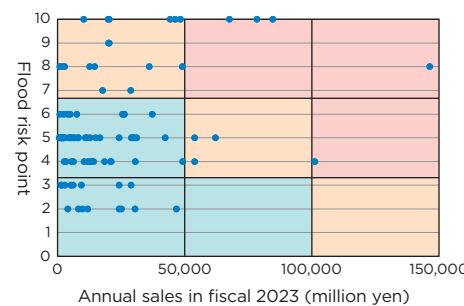
Targets for fiscal 2024 (single-year targets)

Operation for a Greener Global Environment (Circular economy)

- Reduce water use per unit of sales
2% reduction (from FY2022)

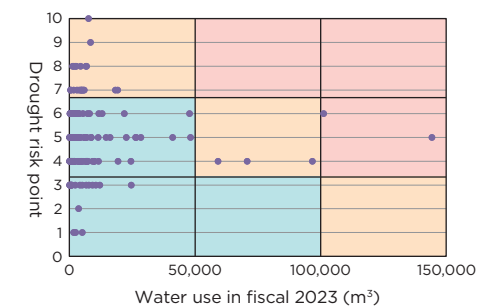
➔ See here for the results in fiscal 2023

Matrix for sites with flood risks



● Flood RP (up to 10 pts.)
= River flooding (up to 5 pts.) +
Coastal flooding (up to 5 pts.)

Matrix for sites with drought risks



● Drought RP (up to 10 pts.)
= Water depletion (up to 5 pts.) +
Dry weather (up to 5 pts.)

Glossary *Aqueduct: A tool developed by the World Resources Institute (WRI) to evaluate water risks in various parts of the world. Water risks to the sites located on a world atlas are quantitatively evaluated on a five-point scale.

Development of Activities Countering Risks on a Company-wide Scale

In fiscal 2023, in addition to “My Hometown Hazard Map”, a database prepared by the Ministry of Land, Infrastructure, Transport and Tourism we used in fiscal 2021, we used the hazard map of “Flood Risk Finder” unveiled by MS&AD InterRisk Research & Consulting, Inc. in 2024 to check the maximum flooding depth in domestic sites. As a result, the number of domestic sites with important issues on floods whose maximum flooding depth is expected to be 0.5 m or higher increased to 17 from 15. We conducted a detailed survey of them concerning (1) communication on their hazard maps; (2) disaster prevention systems and flooding prevention measures; (3) measures to prevent outflow of hazardous substances; (4) business continuity plans (BCPs); and (5) past damage, and confirmed that there was nothing to be addressed urgently.

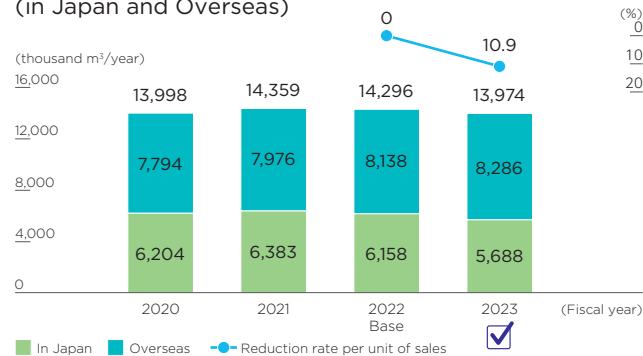
We are going to use the hazard map of “Flood Risk Finder” in addition to Aqueduct-based evaluations to investigate the maximum flooding depth in overseas sites as well, and review the sites to be surveyed closely.

Results in Fiscal 2023

While the total water use (water withdrawal) in fiscal 2023 stood around at the previous fiscal year level, the reduction rate per unit of sales became 10.9% with the impact of an increase in sales, significantly exceeding the target of 1%. In terms of water withdrawal by source, we took 85% of water from city water and 15% from groundwater. As to the effluent by destination, 72% was discharged into sewage while 19%, 8% and 1% of our effluent reached rivers, the sea and other destinations, respectively.

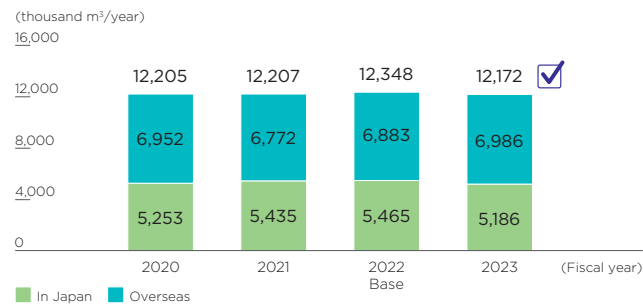
The above-mentioned percentages of water withdrawal by source and the effluent by destination remained unchanged as before.

Water Withdrawal and Reduction Rate per Unit of Sales (in Japan and Overseas)



(Note) The amount of water withdrawal for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2020.

Effluent (in Japan and Overseas)



(Note 1) The target of assurance applies only to the total amount of effluent.

(Note 2) The amount of effluent for the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included from fiscal 2020.

Chemical Substance Management

Basic Approach and Policy

To work on legal compliance, ensure the health and safety of our employees, contribute to environmental preservation, and build trust with clients and customers, the Sumitomo Electric Group is working to manage chemical substances contained in

products, share information on chemical substances throughout the supply chain, manage chemical substances used in production in plants, and reduce harmful chemical substances discharged in the environment.


Structure

Management of Chemical Substances in Products


The Committee on the Management of Chemical Substances in Products has been established to provide information on laws and regulations and compliance support to each business division.

The Group is committed to proper management of chemical substances in products. To this end, we implement the "SEI Guidelines for the Management of Chemical Substances in Products," which was established based on JIS Z7201 "Management of Chemical Substances in Products - Principles and Guidelines." We have also established the "SEI Standards for Chemical Substance Management," which are the standards for the management of chemical substances in products to be managed


at each of the stages, and implement the "SEI Guidelines for Green Quality Purchases" based on the standards, while conducting product assessment at the design and development stages. Through these initiatives, we strive to prevent hazardous chemical substances with large environmental impact from being contained in products. For sharing of information on chemical substances throughout the supply chain, the standard schemes across industries, chemSHERPA* and IMDS, are actively used to alleviate the burden of information communication among companies. We also conduct a "management of chemical substances in products" audit of business divisions and affiliates in our Group to solidify the governance.



SEI Guidelines for the Management of Chemical Substances in Products



Sumitomo Electric Group Standards for Chemical Substance Management



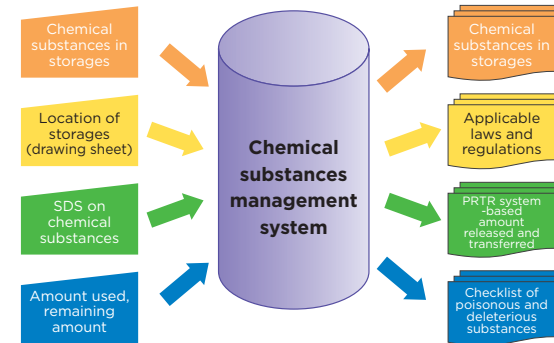
Sumitomo Electric Group Guidelines for Green Quality Purchases

As the types of products and requirements from customers differ greatly between business divisions and affiliates, the guidelines and standards are applied flexibly according to their respective circumstances.

Management of Chemical Substances Used in Plants

The Group established a chemical substances management system utilized on a group-wide scale and started the management of poisonous and deleterious substances and PRTR-designated substances in Sumitomo Electric's four Works in Osaka,

Itami, Yokohama, Ibaraki and our domestic affiliates from 2011. This enables the search of the companies using poisonous and deleterious substances and safety data sheets (SDS). The system is used to collect data for filing of registration based on PRTR system*.



Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Preventing environmental pollution <ul style="list-style-type: none"> ● Reduce PRTR-designated substances emissions 3% reduction (from FY2022) 	Preventing environmental pollution <ul style="list-style-type: none"> ● Reduce PRTR-designated substances emissions 15.4% reduction (from FY2022)

Targets for fiscal 2024 (single-year targets)

Operation for a Greener Global Environment (Prevent environmental pollution)

- Reduce PRTR-designated substances emissions
2% reduction (from FY2022)

➔ See here for the results in fiscal 2023

Glossary *chemSHERPA: Trademarks or registered trademarks of Environmental Management Association for Industry

*PRTR system: Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in, the Environment and Promotion of Improvements to the Management Thereof.

Initiatives

Management of Chemical Substances in Products

The Sumitomo Electric Group has taken measures to replace the substances listed in the EU RoHS*, and is meeting customer demand for products that contain no prohibited substances. At the same time, to comply with the REACH* regulation, we are making efforts to ensure appropriate responses to the requirements of the REACH regulation including reporting of the SVHC* contained in products. To quickly respond to progressive tightening of regional regulations on chemical substances across the globe, our group is working to collect information on regulations in Europe, China, Southeast Asia and other countries and share the information within the Group.

Management of Chemical Substances Used in Plants

Reduction of PRTR-designated chemical substances

Since fiscal 2015, we have been working to reduce the amount of the release of the PRTR-designated chemical substances in the sites that release 1 ton or more to the air in a year, with a target of reducing the amount by 1% every year.

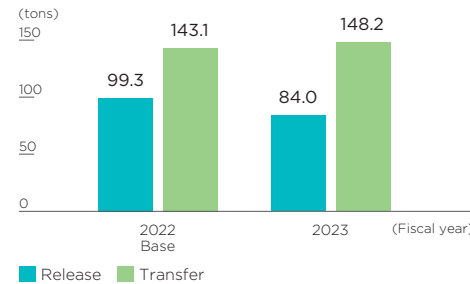
Measures against Dioxins and Asbestos

The aluminum alloy manufacturing facility and its exhaust gas purification facility at Sumitomo Electric Toyama Co., Ltd. are subject to the Law Concerning Special Measures against Dioxins. We have ensured that emissions from these facilities remain within regulated standards. At present, the Sumitomo Electric Group produces no products using asbestos.

Results in Fiscal 2023

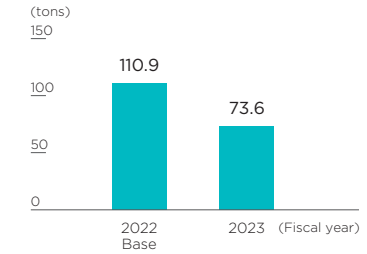
The amount of the release of the PRTR-designated chemical substances in fiscal 2023 dropped significantly from fiscal 2022, base year, to 84.0 tons in total, a 15.4% reduction from the fiscal 2022 level, significantly exceeding the target of 1%. On the other hand, the amount transferred in the form of being discharged into sewers or being dumped remains unchanged from the previous fiscal year. By the amount of release by chemical substance, the amount of Toluene released into the air is 22.8 tons, accounting for 27% of the total amount of release, which is a problem that we are required to address.

Release and Transfer of the PRTR-designated substances emissions



(Note) Revised PRTR Act, which took effect in fiscal 2023, resulted in increased PRTR-designated chemical substances and the data on fiscal 2022 is calculated under the same conditions as in fiscal 2023.

(Additional information) Changes in VOC emissions into the atmosphere



Release and Transfer of the PRTR-designated substances emissions in FY2023

(Unit: tons)

Chemical substance	Release					Transfer			Total amount
	Into air	Into water	Into soil	Into landfill	Total release	By sewage	By disposal	Total transfer	
N-Methyl-2-pyrrolidone	13.2	0.0	0.0	0.0	13.2	0.0	39.2	39.2	52.4
Toluene	22.8	0.0	0.0	0.0	22.8	0.0	4.3	4.3	27.1
Lead and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	22.9	22.9	22.9
1-Bromopropane	15.1	0.0	0.0	0.0	15.1	0.0	0.4	0.4	15.5
2-Aminoethanol	0.0	0.0	0.0	0.0	0.0	0.1	13.0	13.1	13.1
Antimony and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	11.5	11.5	11.5
N,N-Dimethylacetamide	5.2	0.0	0.0	0.0	5.2	0.0	4.2	4.2	9.4
Dichlorobenzene	2.1	0.0	0.0	0.0	2.1	0.0	6.8	6.8	8.9
Xylene	5.6	0.0	0.0	0.0	5.6	0.0	3.2	3.2	8.8
Phenol	2.4	0.0	0.0	0.0	2.4	0.0	5.7	5.7	8.1
30 other substances	16.9	0.7	0.0	0.0	17.6	0.3	36.6	36.9	54.5
Total	83.3	0.7	0.0	0.0	84.0	0.4	147.8	148.2	232.2

(Unit: mg-TEQ)

Chemical substance	Release					Transfer			Total amount
	Into air	Into water	Into soil	Into landfill	Total release	By sewage	By disposal	Total transfer	
Dioxins	1.9	1.4	0.0	0.0	3.3	0.0	2.2	2.2	5.5

(Note) Boundaries of data integration: Sumitomo Electric + affiliates in Japan that submit notifications for PRTR system

Environmental incidents are detailed in Environmental Management. [➔ See here for details](#)

Glossary

*RoHS Directive: RoHS stands for Restriction of the use of certain Hazardous Substances. This EU Directive restricts the use of certain hazardous substances in electrical and electronic equipment.
 *REACH regulations: REACH stands for Registration, Evaluation, Authorization and Restriction of Chemicals. Regulations of the European Parliament and of the Council for protection of human health and the environment in the European Union.
 *SVHC (Substances of Very High Concern): SVHC stands for Substances of Very High Concern. Chemical substances designated by the EU as substances which may cause serious effects to human health or the environment.

Waste Reduction and Recycling Promotion

Basic Approach and Policy

The Sumitomo Electric Group, in response to resource depletion and the shortage of waste disposal sites, has been committed to reducing waste discharged and recycling. Recently, attention has been paid to growing world population, resource depletion from economic growth and marine plastic waste and the transition to a recycling society is required. Continuing to view it as an important issue, our Group will promote relevant activities.

Structure

Each Work and affiliate is promoting its activities. Their activities, compiled by each Business Unit, are submitted to and discussed at the Company Wide Environment Committee once a year. In addition, the Resource Conservation & Recycling Sub-committee is established under the Company Wide Environment Committee to discuss company-wide issues and specific measures. When it comes to circular economy, a working group cutting across R&D and business divisions launched in fiscal 2022 and embarked on activities focusing on fundamental recycling from the time of R&D of products.

Initiatives

Reduce Waste Discharged per Unit of Sales

Our Group uses different resources such as copper, aluminum, iron, and, as insulating material, plenty of plastics for the steel wire and cable business. Produced as waste are waste metal and a lot of waste acid, waste alkali, waste oil, and sludge at the time of metal surface treatment or processing. To reduce waste discharged, we are working to improve yield rate, reduce the amount of waste acid, waste alkali, and waste oil, separate plastics and other materials in detail, and convert waste into valuable materials.

Promotion of Recycling

The recycling rate of waste stands at more than 99% in Japan, but at 86.2% overseas as some countries and regions are not well-equipped yet. To improve the recycling rate, we need to consider recycling methods according to each country.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Promoting circular economy <ul style="list-style-type: none"> ● Waste recycling rate 94% ● Reduce waste discharged per unit of sales 3% reduction (from FY2022) 	Promoting circular economy <ul style="list-style-type: none"> ● Waste recycling rate 91.2% ● Reduce waste discharged per unit of sales 9.5% reduction (from FY2022)

Targets for fiscal 2024 (single-year targets)

Operation for a Greener Global Environment (Circular economy)

- Waste recycling rate 93%
- Reduce waste discharged per unit of sales 2% reduction (from FY2022)

➔ [See here for the results in fiscal 2023](#)

Amount of waste discharged = Waste landfilled or incinerated without heat recovery + heat recovery + material recycling

Recycling rate (%) = (heat recovery + material recycling + valuable materials) / Total amount of waste (Waste landfilled or incinerated without heat recovery + heat recovery + material recycling + valuable materials) × 100

Case examples | Waste discharge reduction activity

■ Plating waste reduction

A plating machine generates wash water waste, but mixed with plating liquid, it was disposed of as waste. We are trying to find ways to reuse less dirty liquid to reduce waste.

■ Cutting liquid reduction

Cutting liquid used for metal processing used to be recycled, but as it was contaminated with bacteria after being recycled for a long term, it was disposed of on a regular basis. With the introduction of a disinfection device, the life of cutting liquid was prolonged, which led to waste reduction.

Case examples | Waste recycling

■ Activities in Vietnamese manufacturing site

A contractor for the treatment of sludge from effluent processing recycles the sludge as building material by mixing the sludge and cement into block.

■ Activities in Chinese manufacturing site

Lubricating liquid (mixture of water and oil) needed to manufacture copper wires becomes waste after it is used. The site used to ask an operator who incinerated oil without heat recovery for waste treatment, but by turning to an operator who runs thermal recycling facilities that use exhaust heat generated in the process of waste incineration, the waste is used efficiently.

Results in Fiscal 2023

Amount of Waste Discharged and Valuable Materials

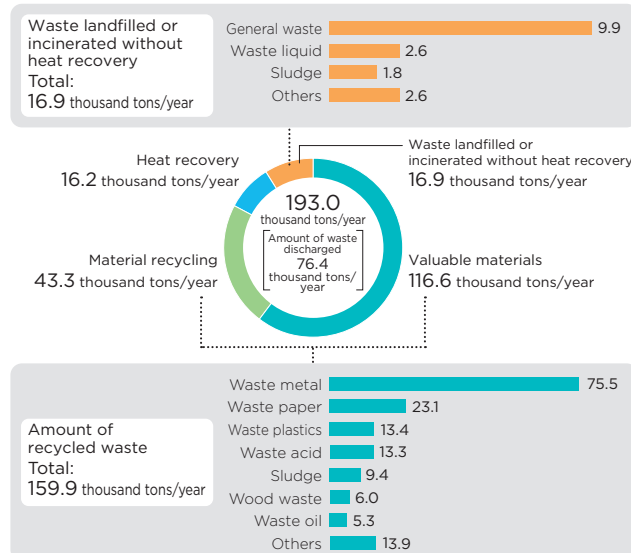
The amount of waste discharged in fiscal 2023 was 28.5 thousand tons in Japan and 47.9 thousand tons overseas, standing at 76.4 thousand tons in total. With valuable materials included, 72.3 thousand tons in Japan, 120.7 thousand tons overseas, and 193 thousand tons in total.

Amount of Waste Discharged and Valuable Materials in FY 2023
(Unit: thousand tons/year)

		In Japan	Overseas	Total
Amount of waste discharged	Waste landfilled or incinerated without heat recovery	0.3	16.6	16.9
	Recycled wastes	28.2	31.3	59.5
Total		28.5	47.9	76.4
Valuable materials		43.8	72.8	116.6
Total		72.3	120.7	193.0

Of 193 thousand tons of waste discharged and valuable materials in total, 16.9 thousand tons was waste landfilled or incinerated without heat recovery, 16.2 thousand tons was recycled with heat recovery, and 43.3 thousand tons was used for material recycling, and 116.6 thousand tons was valuable materials.

Amount of Waste by Type in FY2023 (in Japan and overseas)

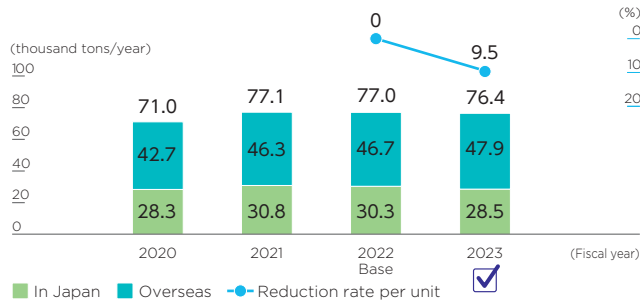


Reduce Waste Discharged per Unit of Sales

The amount of waste discharged excluding valuable materials in fiscal 2023 dropped to 76.4 thousand tons from 77.0 thousand tons in fiscal 2022, with the reduction rate per unit of sales dropping by 9.5% partly due to increased sales.

Domestically, the effect of waste liquid reduction activities in particular in addition to a fall in production contributed to the reduction in waste discharged. Outside Japan, it went up partly due to increased waste acid and waste alkali accompanied by production growth.

Amount of Waste Discharged (excluding valuable materials) and Reduction Rate per Unit of Sales (in Japan and Overseas)



(Note) The amount of waste discharged by the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included retroactively from fiscal 2021.

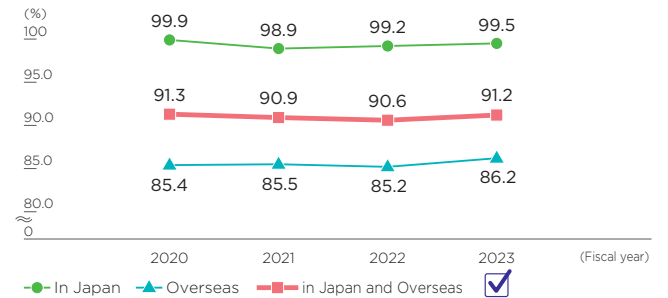
Promotion of Recycling

Of overall waste including valuable materials, the percentage of waste that is not included in incineration without heat recovery or does not go to a landfill is defined as recycle rate. The combined recycle rate in Japan and overseas was 91.2%, below the target of 92%.

The recycle rate in Japan had been dropping as since fiscal 2021, sludge generated in effluent treatment was landfilled due to worsened recycling environment, but as a result of finding recycling operators who could deal with sludge, the recycle rate increased to 99.5%. We are continuing to consider effective recycling, focusing on the separation of waste plastics, looking for recycling operators. The recycling rate of waste stands at 86.2% overseas as some countries and regions fall behind in recycling of general waste and sludge.

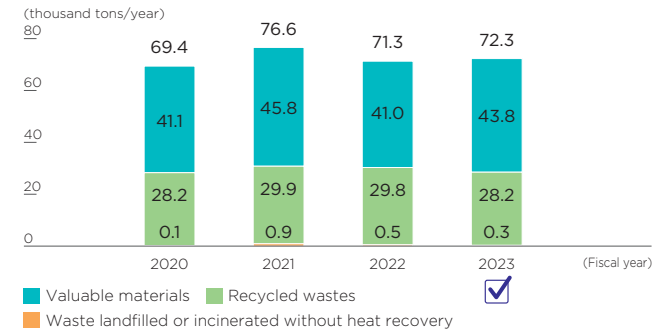
To improve the recycling rate, we will promote the separation of waste and the search for proper recycling operators in each area.

Recycling Rate Trends



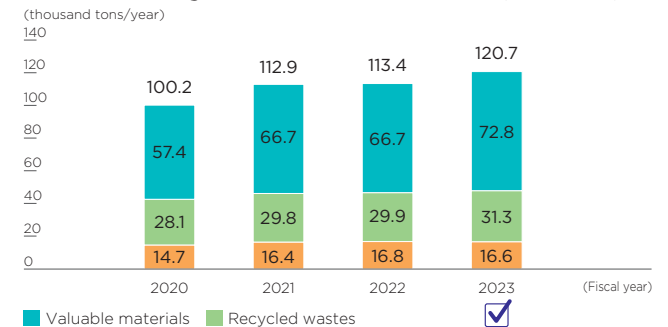
(Note) The amount of waste discharged by the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included retroactively from fiscal 2021. Due to a calculation error in waste landfilled or incinerated without heat recovery, and recycled wastes in Japanese sites, data has been retrospectively corrected.

Waste Discharged and Valuable Materials (in Japan)



(Note) The amount of waste discharged by the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included retroactively from fiscal 2021. Due to a calculation error in waste landfilled or incinerated without heat recovery, and recycled wastes, data has been retrospectively corrected.

Waste Discharged and Valuable Materials (Overseas)



(Note) The amount of waste discharged by the Nissin Electric Co., Ltd., which has been a wholly-owned subsidiary since 2023, and of its group companies are included retroactively from fiscal 2021.

Biodiversity Conservation

Basic Approach and Policy

Our operations are supported by the blessings of nature (ecosystem services) in terms of, for example, the procurement of raw materials and manufacturing of products. We believe that in order to continue our operations, we need to contribute to ecosystem conservation and community environmental preservation.

We work to understand the big picture of environmental burdens and reduce them, promote community-based environmental preservation activities in each business facility with the basic idea that all of the environmental burdens accompanying business activities have an impact on the biodiversity. In addition, we promote initiatives that can help conserve the biodiversity throughout the businesses of the Sumitomo Electric Group, including the expansion of environmentally friendly products.

Structure

For biodiversity activities, we engage in biodiversity conservation and nature restoration activities like the preservation of community environments as the Eco-Activities 2030 program and make activity reports at the Global Environment Promotion Committee, through which we are advancing environmental activities.

Initiatives

Eco-Activities 2030

At the Sumitomo Electric Group, we will proceed with the Eco-Activities 2030 program, designed to implement 300 or more activities to conserve biodiversity, preserve community environments, and restore nature in at least 20 countries and regions by 2030. Specifically, the program includes activities, such as community cleanup, activities for energy-saving and recycling and biodiversity conservation activities (forest conservation and endangered species conservation), carried out by our business facilities, and contribution through the development and manufacturing of products that have a positive impact on the ecosystem. We will work on the Eco-Activities 2030 program as part of "Go for Green 2025" and expand the scope of our initiatives for contributing to conserving biodiversity. In fiscal 2023, the number of such activities amounted to 248, above the target of 220 or more.

Preparation for Information Disclosure

In view of growing demand for information disclosure on environmental impacts including on biodiversity, we launch an environmental impacts survey of our Group business starting fiscal 2024. We are going to survey and analyze environment loads in manufacturing sites in each Group company and those in value chains. When it comes to environmental loads in value chains, as showed in the material balance, we recognize that those of mineral resources including copper, aluminum, and iron are larger than those of raw materials derived from biological materials.

➔ [See here for Material Balance \(Environmental Impacts\)](#)

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<p>"For the Earth's Sake"* Activity</p> <ul style="list-style-type: none"> ● Conserve biodiversity and promote environmental preservation activities 250 cases or more 	<p>"For the Earth's Sake"* Activity</p> <ul style="list-style-type: none"> ● Conserve biodiversity and promote environmental preservation activities 248 cases

*Biodiversity conservation activities, cleanup of the neighboring areas, greening activities, among others
(Note) The boundary is Sumitomo Electric and its consolidated subsidiaries (excluding listed subsidiaries and Nissin Electric Group).

Targets for fiscal 2024 (single-year targets)

Promotion of Eco-Activities 2030

- Conserve biodiversity and promote environmental preservation activities 235 cases or more

Case examples

Eco-Activities 2030 Mangrove planting activity

In March 2024, Sumitomo Electric Group companies in Indonesia jointly worked on mangrove planting. This was the first eco-activity in which each Group company in Indonesia jointly engaged and 36 employees from nine Group companies were involved and planted 300 mangrove seedlings in Taman Wisata Alam Angke Kapuk, a natural reserve, in Jakarta. In addition to contributing to the local community and the environment, this activity helped raise their awareness of the environment and foster a sense of unity as a group. We are going to continue such an activity.




Employees who participated in planting

Employees who have mangrove seedlings and their respective company's placard

Products Contributing to Greener Environment

Basic Approach and Policy

Sumitomo Electric Group is striving to increase environmentally friendly products as an environmental policy and when developing new products, as well as when making major design changes to existing products, we perform environmental assessment of products to promote energy saving and reduce use of resources.

Calculating the contribution to society of the products, we certify the products with particularly outstanding environmental features as "Eco products." From fiscal 2023, through

"Go for Green 2025," a mid-term target which aims to realize a greener environmental society, we are striving to increase the sales of products and services capable of making green contributions (a business activity that helps realize a greener environmental society).

Structure

Potential Eco products and Sales of products and services that help realize a greener environmental society are examined and certified as formal Eco products by the Eco Symbol Office (the Environment Department)

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Green Contribution Sales ^(Note 1) 700 billion yen or more ● Eco products sales ^(Note 2) 1 trillion yen or more 	<ul style="list-style-type: none"> ● Green Contribution Sales ^(Note 1) 553.2 billion yen ● Eco products sales ^(Note 2) 1 trillion 745.2 billion yen

(Note 1) The boundary is Sumitomo Electric and its consolidated subsidiaries.

(Note 2) The boundary is Sumitomo Electric and its consolidated subsidiaries (excluding listed subsidiaries and Nissin Electric Group).

Targets for fiscal 2024 (single-year targets)

Contribution to Global Environment through Business Activities (Contribution to a greener environmental society / Eco products)

- Green Contribution Sales 600 billion yen or more
- Eco products sales 975 billion yen or more

Eco Products (Eco Symbol Program)

Among the products that are examined in accordance with our Eco Symbol Program, which is based on ISO14021, following environmental assessment, those that meet the criteria are certified as "Eco products," the ones with particularly outstanding environmental features. Through this system, we aim to promote development of environmentally conscious products and strive to penetrate the market with them. By the end of fiscal 2023, a total of 379 items were registered as Eco products.

Green Contribution

We define the products and services in the businesses that help realize a greener environmental society as Green Contribution, and strive to expand their sales. Specifically, products and services include those used in the fields of renewable energy, hydrogen, EV, etc.

 [List of environmentally friendly products \(see page 26, Integrated Report 2024\)](#)

Initiatives and Results

Expansion of Environmentally Friendly Products

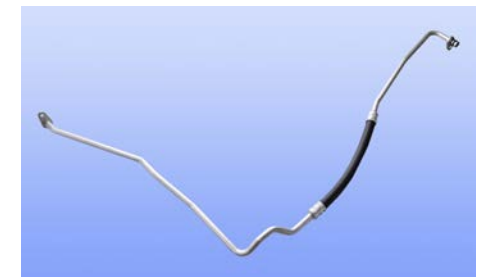
Every year, through the dialogues with business divisions and affiliates that have low percentage of Eco products in sales, we promote applications for applicable products. To promote the development of environmentally friendly products, we analyze and disseminate of latest global trends in environmental impact reduction and our competitors' movement through the dialogues with the Sales Planning Department and the Corporate Management Department.

In fiscal 2023, seven items were newly certified as Eco products, including Sumitomo Electric Fine Polymer's FEX tape (environmental appeal: long-life product), Broad Networks Division's integrated self-autonomous broadcaster (environmental appeal: reduced resource usage). With the applicable scope extended to the entire world from Japan, the sales of eco products amounted to 1.7452 trillion yen, above the target. Green contribution sales stood at 553.2 billion yen mainly from components for EVs, above the target of 500 billion yen.

The Group assigns the Eco symbol mark (trademark) to Eco-products. With the previous design of the Eco symbol mark, it had not been clear what was environmentally friendly and how it was environmentally friendly. Thus the design was changed to include environmental claims and specific numbers in December 2023.



Eco products (FEX™ tape)



Products capable of making green contributions (Hydrogen Hoses)



Eco symbol mark

"Eco symbol mark" is trademarks or registered trademarks of Sumitomo Electric Industries, Ltd

 [Items to be examined in Eco Symbol Program \(environmental appeal\)](#)

Respect for Human Resources

Basic Approach and Policy

Guided by the tenet "Respect for Human Resources," stipulated in the Sumitomo Spirit, the Sumitomo Electric Group strives to foster global human resources who can drive sustainable growth. At the same time, toward accomplishing the Sumitomo Electric Group 2030 VISION, we will promote the concepts of diversity and inclusion and use the integrated capabilities of the Group on a global basis.

To increase our corporate value on a perpetual basis, we work in compliance with the Global HRM Policy toward ensuring respect for human rights, establishing a workplace environment that is healthy, safe, secure, and comfortable, respecting diversity, and sharing our purposes.

By investing in human resources, we will create a corporate foundation where everyone can excel, grow and contribute to society.

Global HRM Policy

We are actively promoting the establishment of HR systems and guidelines to be commonly applied on a global scale within the Group

In the Sumitomo Electric Group, over 290,000 employees are working actively in more than 40 countries and regions around the world. We believe that for the Group to win the global competition and grow further, it is essential that we fully mobilize the Group's technologies, products, business models and all other resources. We acknowledge that it is most important to secure and utilize highly capable employees who support these efforts.

The Group has traditionally placed a high value on human resources based on the Sumitomo Spirit. To clarify the basic policies on human resources, we instituted the

Sumitomo Electric Group Global Human Resource Management Policy (Global HRM Policy) in September 2011.

Global Human Resource Management (HRM) Policy

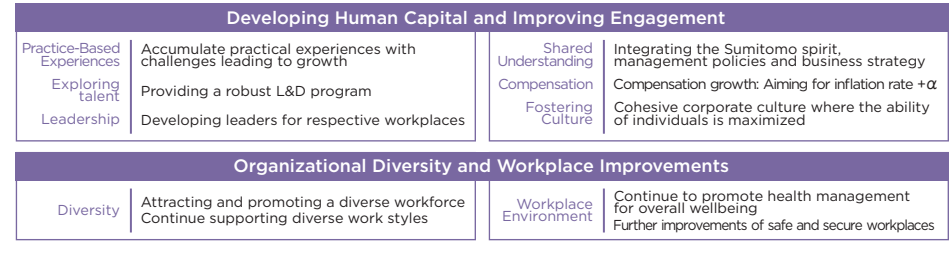
- We provide workplaces where all the employees can work actively, grow both personally and professionally through work, achieve self-actualization, and contribute to the society.
- We offer various career opportunities and globally pursue "the right person in the right position" regardless of race, ethnicity, national origin, religion, age, gender, gender identity, sexual orientation, or disability.
- We value and promote diversity in the workplace in order to enhance the creativity of the organization and to sustain the growth of the business.
- We develop global leaders who lead and give energy to our global business. Global leaders are those who understand and share the Sumitomo Spirit and the Corporate Principles and can lead highly diversified teams.

Based on the Global HRM Policy, to ensure that all human resources can work actively as members of the Sumitomo Electric Group and help the organization increase its creativity and grow in perpetuity, we recognize the importance of inviting diverse talented human resources from around the world, training them and promoting their assignment and appointment beyond the borders of individual companies while providing various career opportunities to them.

Policy for 2030 | Evolve to be a Group where everyone can excel, grow, and contribute to society

- Diversity and Inclusion
- Nurturing a corporate culture that values growth and challenges
- SEG's integrated power on a global scale

Develop Human Capital creating new value in the age of changes



Engagement Survey

Toward the realization of the 2030 Vision, in order to evolve to be a company where employees, who are important stakeholders, can excel, grow and contribute to society, we consider that it is important to develop organizations and culture where each employee working in the Sumitomo Electric Group can empathize with the company's vision and goals and have great enthusiasm for contributing to the achievement of the goals and a strong sense of belonging to the organization ("engagement"). Since fiscal 2006, we have conducted an employee awareness survey called the "Survey to Create a Lively Working Environment" at Sumitomo Electric and domestic Group companies. The survey results have been used to understand how much the Sumitomo Spirit and Corporate Principles have been disseminated, and used as reference information for revitalizing the organization and taking various measures. In fiscal 2022, we reviewed the company conducting the survey, as well as the questions, with the aims of expanding the boundary of the survey globally and placing more emphasis on improving employee engagement, and started an

employee awareness survey as "Sumitomo Electric Group Global Engagement Survey." In fiscal 2023, we investigated the awareness of approximately 40,000 domestic employees (24,000 in the previous year) and 14,000 overseas ones (2,000 in the previous year) from 20 overseas countries (6 in the previous year) at Sumitomo Electric and 120 Group companies (67 in the previous year) in Japan and overseas. Of approximately 1,000 workplaces that participated in the survey for the second consecutive year, approximately 60% of them are improving as a result of work conditions improvement activities including increased dialogues, implementation of harassment prevention training, enhancement of information dissemination on divisional policies. The survey results have been fed back to the responsible person of each organization and are used to consider specific measures to address issues in each workplace and to create workplaces where employees can work in a healthy and lively manner. Furthermore, we plan to continue the survey while expanding its boundary from the next fiscal year.

Human Rights

Basic Approach and Policy

Under the basic philosophy that all of its business activities must be based on respect for human rights as we continue to develop together with the global community, the Sumitomo Electric Group has been promoting initiatives to ensure respect for human rights including efforts to eliminate discrimination. The Sumitomo Electric Group Code of Conduct also sets a standard that guarantees respect for human rights and prohibits any form of discrimination or harassment. In March 2019, the Sumitomo Electric Group Policy on Human Rights was established to respond to the various needs of our stakeholders and to clearly show our commitment to respecting human rights in conformance with international standards.

To ensure that our initiatives are promoted in line with this policy, we will implement training programs to educate employees about human rights and conduct fact-finding investigations regularly at relevant stakeholders, including domestic and overseas affiliates and business partners, while setting specific operational guidelines, etc. as necessary.

The Sumitomo Electric Group Policy on Human Rights (extract)

Date of establishment: March 19, 2019

The Sumitomo Electric Group, in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, shall strive to be a group of companies worthy of society's trust by conducting business activities in an honest manner.

As we continue to develop together with the global community, the Sumitomo Electric Group recognizes that all of its business activities must be based on respect for human rights. The Sumitomo Electric Group will work ethically and responsibly for the respect of human rights ensuring that our entire group will uphold this standard.

 [The entire text of The Sumitomo Electric Group Policy on Human Rights](#)

Structure

To conduct corporate management that respects the human rights of each employee and ultimately contribute to the realization of a society where human rights are respected, we have established the Dowa and Human Rights Issues Training Promotion Committee. This committee promotes training on discrimination issues and human rights on a company-wide scale so that we can fulfill our

corporate social responsibility for encouraging our employees to have a correct understanding of discrimination and other human rights issues and deepen their awareness of those issues.

As to human rights due diligence*, we have also built a global promotion system in collaboration with the HR divisions of domestic and overseas Group companies.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for fiscal 2025 to ensure respect for human rights	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Human rights due diligence: Examination of key risks and implementation of prevention and mitigation measures for about 280 Group companies ● Human rights training: Promotion of training and awareness-raising for discrimination, harassment and other human rights issues ● Supplier code of conduct: Requests to engage in human rights and labor relations efforts based on the Supplier Code of Conduct 	<ul style="list-style-type: none"> ● Human rights due diligence: <ul style="list-style-type: none"> • Conducted a human rights due diligence survey of our 284 Group companies in fiscal 2022 • Started to address the issues identified by the survey in fiscal 2023 ● Human rights training: in 2023, the total number of employees who attended human rights seminars was 22,199 with 15,078 seminar hours in total ● Supplier code of conduct: Continued an effort to obtain the consent of suppliers

➔ [See here for our efforts with suppliers in human rights and labor relations based on the Supplier Code of Conduct.](#)

Initiatives

Human Rights Education and Training

We are also making continuous efforts for human rights training and enlightenment to solve a wide range of human rights issues including discrimination and sexual harassment. In 2023, a total of 22,199 persons participated in the human rights-related seminars, including the education provided mainly by Human Rights Task Committee members at their worksites as well as harassment prevention training for all managers, and human rights training for officers, new employees and newly promoted employees in each position.

Establishment of Consultation Services

In addition to the internal and external contacts for consultation and reporting managed by the Compliance Committee, we have set up internal contacts for consultation concerning issues related to working conditions such as sexual harassment, abuses of authorities and discrimination against pregnant women and fathers who have taken paternal leave. With these services, Sumitomo Electric has in place a system to quickly gather information on any violation of human rights and take appropriate measures against them.

➔ [Click here for details of contacts for consultation and reporting](#)

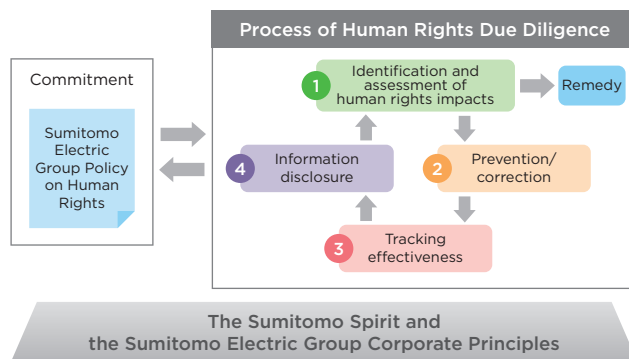
Glossary ***Human Rights Due Diligence:** Human rights due diligence refers to a series of acts undertaken to identify, prevent and mitigate adverse impacts on human rights in business enterprises, group companies and suppliers, etc., to track the effectiveness of their responses and to account for and disclose information on how they addressed the adverse human rights impacts.

Cooperation with Human Rights Organizations and Governments

Sumitomo Electric participates in the Responsible Business Alliance to address human rights issues in global business activities while also becoming a member of human rights organizations in Japan including the Corporate Federation for Dowa and Human Rights Issue, Osaka to cooperate with relevant governmental agencies and other organizations from the standpoint of a corporation and work toward the realization of a society in which human rights are guaranteed for all. As a Keidanren member, we sympathize with its "Charter of Corporate Behavior."

Human Rights Due Diligence performed at the Sumitomo Electric Group

Based on the "Guiding Principles on Business and Human Rights" of the United Nations and "Guidelines on Respecting Human Rights in Responsible Supply Chains" of the Ministry of Economy, Trade and Industry, our Group has conducted human rights due diligence to ensure that we fulfill our responsibility for respecting human rights in fiscal 2022.



Results in Fiscal 2023

Initiatives for human rights due diligence in fiscal 2023

■ Correction of problems found as a result of the fiscal 2022 human rights due diligence survey (two cases at home; two cases overseas)

- With regard to two companies in Japan, as there were some points to be modified in the contracts between us and temporary staffing companies, they were partially modified.
- With regard to two companies overseas (Asia), as there were some points to be corrected concerning hiring fees in employing migrant workers, appropriate corrective measures were taken based on interviews with those concerned.

■ Survey of some companies in Eastern Europe

- As some interviews about migrant workers revealed some points to be corrected concerning hiring fee, we are considering corrective and preventive measures.

■ Future actions

The fiscal 2022 survey focused on possible serious risks (child labor, forced labor, and migrant labor) and in fiscal 2023, we worked on the resolution of the issues discovered. We are going to strengthen checking systems surrounding serious risks to prevent them from occurring. For a scheme to identify potential human rights risks in each country, we are considering it with external experts.

Human Resources Development

Basic Approach and Policy

Human Resource Development Policy

The Sumitomo Electric Group emphasizes respect for human resources in business management in accordance with the Sumitomo Spirit. As also mentioned in the section "Approach to Human Resources," we instituted the Sumitomo Electric Group Global Human Resource Management Policy (Global HRM Policy) in September 2011. This policy specifies the Group's commitment to the creation of an environment that helps employees realize growth and self-actualization through work, the provision

of various career opportunities regardless of race, ethnicity, national origin, religion, age, gender, gender identity, sexual orientation or disability, promotion of diversity and the inclusion and development of global leaders, in order to accelerate our global human resource recruitment and promotion. We have declared the policy to inform people in and outside of the Group about such commitment and it serves as our basic policy in human resource development.

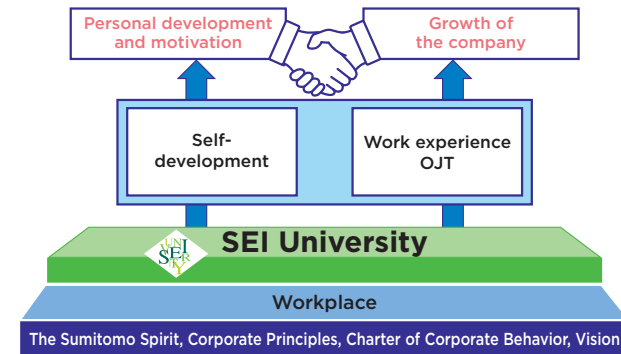
Structure

SEI University

The Sumitomo Electric Group defines needed personnel as those who honor the Sumitomo Spirit, understand the Sumitomo Electric Group Corporate Principles, possess high levels of skill and knowledge rooted firmly in the basics and can play active roles in the global community. As an initiative for human resource development, we provide training to develop abilities, skills and knowledge for executing the business strategies of our Group, as well as training to encourage employees to work toward the management vision with a sense of unity sharing philosophy, values and culture. The human resource development system composed of those training programs is collectively called SEI University. While "individual employees' strong motivation for self-development" and "on-the-job coaching and close communication between superiors and subordinates" are foundations for human resource development, SEI University strongly supports them to realize the growth of individual employees and achieve the

corporate goals at the same time. Our Group values this as an important approach to human resource development.

Our conventional training and education system was further developed to launch SEI University in 2005. The two pillars of SEI University are Group-wide training, in which the Corporate Staff Group plans and implements programs for all divisions and divisional training, in which each division individually plans and implements programs tailored to its business. We are gradually expanding the scope to include employees in Group companies in Japan and overseas, in addition to Sumitomo Electric. In 2007, we established the Technical Training Center within SEI University specializing in developing human resources for manufacturing, who are the source of the competitiveness of our Group as a manufacturer. The center plans and implements various training programs ranging from basic training on manufacturing to professional education.



Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Number of the Executive Training Program participants: 100/3 years ● Number of MPSS participants: 2,300/3 years ● Total hours of training programs: 20 hours / headcount - year ● Developing core DX talent ^(Note): 300/3 years ● Developing DX data analysts ^(Note): 1,500/3 years 	<ul style="list-style-type: none"> ● Number of the Executive Training Program participants: 36 ● Number of MPSS participants: 859 ● Total hours of training programs: 12.8 hours / headcount - year ● Developing core DX talent ^(Note): 134 ● Developing DX data analysts ^(Note): 535

(Note) The data covers Sumitomo Electric alone.

Results

SEI University provides more than 400 training programs (commonly developed across the Group), including position-based compulsory programs for all group employees ranging from executives to new employees, in the three areas of human skills, problem-solving skills and technical skills. Our Group companies and divisions also organize their original training programs in the field of technical skills to have the trainees acquire the unique knowledge and skills especially required in their respective workplaces.

We have also introduced a large number of practical training programs. For example, we promote practical training to address manufacturing issues and executive training to form cross-departmental teams and propose solutions to actual management issues. In addition, the "Mid-term Management Plan 2025" has the slogan "Develop Human Capital creating new value in the age of changes." To achieve this, SEI University will continue to update its curriculum, including the development of DX human resources.

■ Performance of duties in accordance with the Sumitomo Spirit

In the training provided at SEI University, the Sumitomo Spirit is positioned as the basis for employees to perform their duties. We give them opportunities to learn about it in the training programs for new employees and various position-based training programs. In addition, we always explain the relations of the Sumitomo Spirit to compliance and human rights in the relevant training programs. Furthermore, the president asks all employees to perform their duties in accordance with the Sumitomo Spirit via a video once in six months and the video is also

translated into multiple languages and distributed to Group companies in Japan and overseas. For the employees to be assigned overseas, a preliminary training program to ensure that they can convey the Sumitomo Spirit in their own words in their new workplaces is organized before the transfer. We are also cultivating internal lecturers to enable the Sumitomo Spirit to be learned periodically in Group companies in Japan and abroad. In April 2023, we opened a new history exhibition room (Minami-Hakone Gallery) where visitors can experience the Sumitomo Spirit and the Corporate Principles, as well as our values and culture, in our training facility, Minami-Hakone Seminar House. When visitors visit the seminar house, resident staffers always spare time for them to learn about the Sumitomo Spirit and the history of Sumitomo (in fiscal 2023, 1,822 employees from our Group companies visited in total). To achieve the 2030 VISION, which is based on the Sumitomo Spirit, and Mid-term Management Plan 2025, each employee needs to internalize the VISION and create job satisfaction. We help them take root in their mind through training seminars and video messages.



Scene of the Sumitomo Spirit training

■ Strengthening of the common foundation (Global Common Knowledge (GCK) Project)

In the rapidly changing business environment, while it is getting increasingly important to improve the competence of employees, the items to be thoroughly learned by employees for the strengthening of corporate governance have also been diversified. Based on this situation, we have organized and integrated the training programs and know-how that have been cultivated since the establishment of the SEI University to present them in a systematic manner as Global Common Knowledge and skills (GCK). This initiative aims to clarify the content that should be thoroughly learned on a global scale and also provide an indicator for our Group companies in Japan and overseas to further improve their understanding of the training programs to be introduced in response to their respective challenges and set priorities for the programs. With the GCK at center, we are enhancing e-learning programs, contributing to increased opportunities to provide education at a global scale.

Overview of GCK

Fundamental		
A Management philosophy and values	B Compliance/ Group common policy	
Practical		
C Management	D Human skills	E Business administration and innovation
F Problem solving	G Monozukuri	H Business skills

Dialogue on Career

In order for each of the employees to grow, they have to design their career visions based on their own values and ways of life and strive to realize the visions. They can improve their abilities by actively engaging in self-development and using the abilities developed through on-the-job training to do more challenging jobs. The Sumitomo Electric Group, which aims to establish a win-win relationship where the improvement of necessary skills by the employees through their jobs also results in the growth and development of the Group, supports employees for the purpose. While organizing training sessions on how to proceed with dialogues on career for superiors, we also provide employees in their fifth year, newly promoted managers and employees who have reached a milestone in their careers, such as age 45 or 55, with training to consider their future career according to their respective positions and ages. If they wish, they can receive career counseling from in-house career consultants after the training.

Cultivation of Manufacturing Personnel

Guided by the basic concept that "manufacturing is human resources development," we promote the cultivation of manufacturing personnel through the three main initiatives ① key personnel training; ② technical and skill training; and ③ basic training on manufacturing so that we can inherit the good technologies and skills cultivated by the Sumitomo Electric Group and enhance its manufacturing capabilities.

① Key personnel training

We provide training for general managers, in which Sumitomo Electric's general managers and affiliates' presidents confirm the concepts essential for reinforcing the manufacturing capabilities from the perspectives of safety, the environment, quality, manufacturing and HR development and show their own commitment to

proceeding with necessary activities. A program for developing plant managers is also organized to develop “strong” plant managers (equivalent to the manager of a manufacturing section) who will play a pivotal role in manufacturing. In addition, we provide practical training to develop key personnel for the next generation. In those programs (MONOZUKURI-KAKUSHIN professional training Program (MKP) and GENBA-KAIZEN professional training Program (GKP)), trainees are assigned to the theme divisions, which are selected from among those other than their own divisions, for several months to work on solving important problems and challenges in the theme divisions.

② Technical and skill training

The basic objective of this training is to learn with actual machines and products. The subjects in the curriculum have been diversified, ranging from the acquisition of the Group's proprietary technologies and techniques, including those related to equipment and maintenance, to advanced technologies such as IoT and AI. The number of participants is also growing year by year. We also provide training on basic knowledge about improvement activities and equipment maintenance periodically in China, Southeast Asia and other parts of the world.

③ Basic training on manufacturing

With an aim to reinforce SEQCDD* competitiveness, this program provides training to learn the knowledge necessary at manufacturing sites, such as safety and quality, as well as management techniques and methods related to manufacturing. While this training has a curriculum mainly aimed at young employees, regular training is provided to all employees as repetitive training to encourage them to reconfirm their basic knowledge. The program also aims to disseminate information on any updates in the latest company-wide trends and any revisions of laws and regulations.

DX Talent

We position DX promotion as a company-wide initiative for business reform and improvement, and the human resources necessary to promote it are defined as “core DX talent *1” and “data analysts *2,” expanding the training menu to enhance development of such human resources.

*1 Core DX talent are human resources who can solve issues for the division through efforts using digital technology

*2 Data analysts are human resources who know how to visualize and analyze data and can apply them under guidance

Strengthening Collaboration and Addressing Globalization across the Group

① Development in Group companies in Japan

To promote human resources development across the Sumitomo Electric Group, we provide employees of our Group companies in Japan with opportunities to attend training sessions organized by Sumitomo Electric. The number of the participants from our Group companies in Japan in the training for new employees, mid-career employees and newly promoted personnel is increasing year by year.

When it is difficult for a Group company to run training programs, internal lecturers are delegated from Sumitomo Electric to provide necessary training and other services.

② Development on a global scale

To promote human resource development that meets local demand, we periodically discuss the planning and operation of various training programs (mainly for non-managerial employees) at HR manager meetings held in each country. In addition, we engage in discussions with personnel in charge of human resources and human resource development in Japan and overseas on issues related to the Group's human resource development and training sessions shared globally. We also organize the following training programs for executives and managers commonly in Japan and overseas.

Target: Executives

■ Executive training program

We foster executives not only by offering action learning opportunities but also by helping them understand the Sumitomo Spirit and acquire management knowledge and by organizing leadership workshops. This program is held once a year and attended by about 35 employees each time.

Target: General Managers

■ Global Leadership Development Program (GLP)

Designed to instill the history of Sumitomo and the Sumitomo Spirit, develop leadership ability, and form a global network, this program fosters human resources who can show leadership in a global business environment through online training and group in-person training.

Target: Managers

■ SEG Management Program based on the Sumitomo Spirit (MPSS)

Designed to diffuse the Sumitomo Spirit and improve management skills, this program provides the sessions in cities in Germany, the United States, Singapore, China (Shanghai and Shenzhen), Mexico and Japan.

CSR VOICE

Comment after participating in MPSS



Nathan Gesler
Territory Sales Manager,
Sumitomo Electric
Interconnect Products,
Inc. (SEIP)

I began my journey with Sumitomo Electric Interconnect Products (SEIP) in 2020, building on a 12-year direct working relationship with the company and its team. In 2023, I was privileged to participate in the 19th MPSS in USA. This course is designed to impart Sumitomo's rich heritage while instilling the principles of the 'Sumitomo Spirit'—'Banji-nissei,' 'Shinyo-kakujitsu,' and 'Fusu-furi'. Implementing these principles in my work has greatly improved not just my professional growth but also my colleagues'. The opportunity to exchange insights and learn from the diverse experiences and roles of participants from other SEG companies was invigorating, fostering a dynamic environment for our discussions. These conversations have been profoundly influential, and I remain actively engaged with an

outstanding 'buddy group'. Our bi-weekly meetings help to further refine our management styles and responses to new challenges by promoting the active and responsive listening skills nurtured during the workshops.

Diversity & Inclusion (D&I)

Basic Approach and Policy

The Global HRM Policy specifies the Group's commitment to the creation of an environment that helps employees realize growth and self-actualization through work, the provision of various career opportunities regardless of national origin, race, ethnicity, religion, gender, gender identity, sexual orientation or disability, the promotion of diversity & inclusion (D&I) and the development of global leaders, in order to accelerate our global human resource recruitment, promotion and development. We have declared the policy to inform people in and outside of the Group about it.

To realize diversity and inclusion, it is significant to not only increase diversity but also ensure that the employees show collective strength for achieving the same goal in an organization where their diversity is accepted and utilized and all of them can work actively with a sense of satisfaction and show their abilities to the fullest. We are taking various initiatives for this purpose.

Structure

We established a dedicated organization to promote D&I within the Human Resources Division in 2014. To further accelerate our commitment to the promotion of diversity and inclusion, we separated the organization from the Human Resources Division and set up the new Diversity & Inclusion Department as an organization under the direct control of the president in June 2020. To promote the establishment of an organization where employees with various attributes can feel rewarded and show their abilities to the fullest, we are working to take various measures, including the enhancement of

organizational power and the creation of a culture to develop human resources, in cooperation with Human Resources Division and Human Resources Development Department. The promotion of D&I is a significant challenge in the management strategy and we will continue to engage in the recruitment and securing of diverse human resources and the development of leader candidates and management staff who can lead diverse human resources, as well as the creation of an organization where employees can demonstrate their collective strength.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<p>Global HR initiatives</p> <ul style="list-style-type: none"> ● Promotion of measures to appoint and develop SEG Global Executives ● Promotion of the appointment of foreign employees as officers and senior management staff in overseas Group companies <p>Women's empowerment*</p> <ul style="list-style-type: none"> ● Percentage of females among new graduate hires ^(Note 1): Business 40%, Engineering 15% ● Percentage of women in managerial positions (section manager level and above) ^(Note 1): 4.0% 	<p>Global HR initiatives</p> <ul style="list-style-type: none"> ● Newly appointed 3 SEG Global Executives The total number of SEG Global Executives is 42 on April 1, 2024 ● Continuing measures to develop SEG Global Executives <p>Women's empowerment*</p> <ul style="list-style-type: none"> ● Percentage of females among new graduate hires in fiscal 2023 ^(Note 1): Business 41.2%, Engineering 10.6% ● Percentage of women in managerial positions (section manager level and above) ^(Note 1) ^(Note 2): 3.7%

(Note 1) The data cover Sumitomo Electric alone.

(Note 2) As of the end of fiscal 2023

* The targets are those on "recruitment of women" and "appointment of women" set in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life.

➔ [See here for the results in fiscal 2023](#)

Initiatives

Development of Awareness of D&I

Sumitomo Electric defines "D&I" as the fusion of "diversity of perspectives," "relationship of trust" and "demonstration of abilities" in the organization to ensure that more than just the sum of the abilities of all employees can be shown. In order to disseminate D&I, we have developed awareness through the distribution of video conversations between external celebrities and our officers on the subject of team building and leadership that bring out the abilities of diverse human resources. Since 2022, we have organized practical training for management staff to develop "inclusive leaders" who put into practice what they have learned and work to generate results by leveraging the full potential of diverse human resources to improve management capabilities in the workplace.

Women's Empowerment

We are committed to the active recruitment of women and the active appointment and development of female employees. Specific initiatives include the establishment of a system to strengthen dialogue with superiors during pregnancy and parenting and a mentoring program aimed at supporting the growth of female managerial candidates, as well as the provision of management training for managers who have new female subordinates and the formulation and monitoring of plans to develop female managers. With the recognition that commitment to women's empowerment is important as it will lead to the creation of a foundation in which all employees can play an active role, as well as our future growth and development, we will continue to promote women's empowerment.

“SWING: Sumitomo Electric Group Women's Innovative Networking Group”

This group, which started its activities in 2016, aims to cultivate female employees and improve their skills by providing opportunities for mutual study and networking to female employees of the Sumitomo Electric Group, mainly Sumitomo Electric, Sumitomo Wiring Systems, Ltd., Sumitomo Riko Company

Limited and Nissin Electric Co., Ltd. We have held forums for women on a main career track and on a general career track and organized lectures by external celebrities and exchange of views between the participants. We will continue to take initiatives to help diverse human resources play an active role in the Sumitomo Electric Group.

Promotion of Active Participation of Senior Human Resources

While a decrease in the working population due to a low birth rate and the aging of society, as well as changes in the environment including that in the personnel composition of Sumitomo Electric, is in progress, the continuous contribution of elderly employees with extensive skills is essential for the maintenance and development of our business. Therefore, we increased the retirement age from 60 to 65 in April 2021. We will continue to consider measures to further promote the active participation of senior human resources.

Sumitomo Electric has been traditionally working to promote employment of persons with physical disabilities. To further promote employment of persons with physical or mental disabilities and increase their employment rate, in July 2008, we established a special subsidiary*, Sumiden Friend, Ltd., on the premises of Sumitomo Electric's Itami Works, specifically for employment of persons with disabilities (certified in February 2009). Beginning with loan and maintenance of foliage plants, Sumiden Friend has expanded its operations gradually to also engage in the conversion of drawings and other paper documents into electronic files and shredding and recycling of waste paper. With the establishment of Nagoya branch in January 2020 and Kanuma branch in January 2021, 162 employees are working at the company, including 104 persons with disabilities, in the six bases including Yokohama, Tokyo and Osaka branches as of June 2024. As a result, the overall employment rate of the physically or mentally disabled for Sumitomo Electric and its qualified Group companies including Sumiden Friend (25 companies in total) was 2.59% in June 2024.

In our Group, Sumitomo Wiring Systems, Ltd., Sumitomo Riko Company Limited, and Nissin Electric Co., Ltd. have also established their special subsidiaries, which are SWS Smile Corporation, SumiRiko Joyful Company Limited, and Nissin Heartful Friend Co., Ltd., respectively. These subsidiaries promote collaboration through exchange meetings and other activities.

We will continue to develop a system to create places where persons with disabilities can work while feeling rewarded in many Group companies and worksites and to ensure that all Group companies will achieve and maintain the legally required percentage in response to legal revisions and other changes.

Diversity in Recruitment

Sumitomo Electric is making active efforts to recruit diverse talents including women, international students, non-Japanese, and persons with experience in other companies to support various business development including the Group's creation of new field and global business.

In fiscal 2023, Sumitomo Electric employed 209 new graduates for main career track, 43 of whom were female, and 147 persons with experience in other companies. We have also recruited non-Japanese and graduates from overseas universities (global employees) aggressively and a total of 115 employees of foreign nationality currently work and play an active role in Sumitomo Electric.

We will continue to take various measures to ensure that diverse talents can demonstrate their capabilities regardless of nationality, race, gender, age or other background in the Group.

Promotion of Employment of the Persons with Physical or Mental Disabilities

We are making steady efforts to help create a society where anyone can work vividly with or without their disabilities.

Glossary *Special Subsidiary: The subsidiary is established by a company for the purpose of hiring persons with disabilities under the Act to Facilitate the Employment of Persons with Disabilities. Permission from the national government is required for the establishment. Persons with disabilities employed by a special subsidiary can be considered to be the parent company's (or corporate group's) employees when the percentage of the employment rate of persons with disabilities is calculated.

CSR VOICE

Findings and connections obtained through the mentoring program - Thoughts of a mentee and a mentor

We implemented the third phase (fiscal 2023) of the mentoring program, in which a team of two manager-level employees (mentors) and two female group leaders (mentees) recommended by general-manager have group conversations about the medium- to long-term growth and career, human resource development, workplace management and other subjects, and a total of eight teams participated. In addition to group conversations, the program encouraged opinion exchanges among the participants and hosted lecture meetings by the Company's executives and outside experts. Through this program, we aim to support the autonomous career development of female employees and foster a culture of the development of human resources that make the most of their individuality.



Naoko Inoue
(mentee, second from left on the photo)
Leader, Process Engineering Group,
Optical Element Research Division,
Transmission Devices Laboratory

I joined the program as a mentee. Having been pursuing what I should be like as a group leader with few women in managerial positions in my department, I received some advice from a broader perspective beyond my department from a mentor, which was very meaningful. In addition, a mentee-to-mentee conversation inspired me, enabling me to build an interdepartmental connection. I am going to make best use of the lessons I learned from the program and push forward with my work.



Yoshimitsu Sawazono
(mentor, center on the photo)
President, Sumitomo Electric Hardmetal

I joined the program as a mentor. After listening attentively to two mentees' values, growth willingness for the future, and concerns, I was able to share my own experience and what could be viewed from my position with them. With lectures in the program satisfactory, I believe that it could help them with their proactive career development. With continued support from the Diversity & Inclusion Department, I will make best use of this experience for my company's management.

Global Grade System and SEG Global Executives

We have adopted the Global Grade System, which is a human resource development system that allows talented and qualified persons to seek career development beyond the borders of individual companies to engage in the management of Group companies in Japan and overseas or perform even higher duties. In this system, global leader (GL) grades are granted to executives who are board members or equivalents of overseas subsidiaries, except for those of listed companies, and recognize them as SEG Global Executives. At present, 42 executives of overseas Group companies are recognized as such. They are provided with opportunities to work exceeding the boundaries of individual companies and a wide range of career opportunities as support for them to play more active roles as global leaders.

Area Committee

We introduced the Area Committee system in 2015 to allow SEG Global Executives to participate in business management beyond the borders of individual companies. The system aims to ① enhance the presence of each business/base in consideration of the regional characteristics, ② make use of the knowledge and experience of SEG Global Executives and ③ establish a network of the SEG Global Executives, to name a few. We have set up four committees in the regions of the Americas, Europe/Africa, Southeast Asia/Australia and Greater China with more than 500 members elected from among SEG Global Executives and other Group employees. They are committed to a wide variety of subjects, such as human resource development and the strengthening of manufacturing abilities in their respective regions.

To incorporate the proposals presented by the Area Committees into the management of the Sumitomo Electric Group, SEG Global Executives regularly make proposals and report to the executives of Sumitomo Electric. We organize the SEG Global Executive Conference in Japan every year where SEG Global Executives are invited to the Head Office of Sumitomo Electric, and also the Regional Executive Conference, which is held annually in four regions of the Americas, Europe/Africa, Southeast Asia/Australia and Greater China to gather top executives of Sumitomo Electric and its overseas affiliates.

As a conference designed to promote interregional collaboration is held starting fiscal 2024, we will continuously strive to keep communication active to further promote diversity management in the Sumitomo Electric Group and close coordination between affiliates.

CSR VOICE

Promoting CSR activities in the APAC region



Dilidan Pasion
Senior Vice President,
International
Wiring Systems (Phils.)
Corp. (IWSP)



Chia Yee Cheong
Director / General Manager,
Sumitomo Electric
Hardmetal Asia Pacific
Pte Ltd. (SHAP)

In the APAC area committee, the branding sub-committee is organized as one of its sub-committee, participating in a variety of activities including CSR ones in each country to make the Sumitomo Group brand recognized in the APAC area. We, as global executives, are working as advisors for planning and carrying out these activities.

In CSR activities, such activities as extensively contribute to society are in progress in the form of: “health-related” one

including blood donations, medical supplies donation and charity walk; “environmental” ones including cleaning of beaches and roads, tree planting, and recycling; and “educational” ones including student support programs such as internship, on-the-job training, scholarship program, and school supplies donations.

Of them, “health-related” activities focused on providing several years support to local communities affected by the COVID-19 pandemic through the donations of essential foodstuffs, medical protective equipment, test kit, and contributions to vaccine foundations.

We will continue to promote the CSR activities by enhancing engagement with local communities, various stakeholders, and employees from the Sumitomo Group.



Results in Fiscal 2023

Number and Percentage of Male/Female Employees and Number and Percentage of Male/Female Managerial position in Sumitomo Electric ^(Note 1)

As of March 31 of 2024

	Male	Female	Total
Full-time employees	10,731 employees (85.0%)	1,890 employees (15.0%)	12,621 employees
Managerial position ^(Note 2)	3,330 employees (96.3%)	127 employees (3.7%)	3,457 employees

(Note 1) For the coverage, Sumitomo Electric employees on loan to affiliates and other organizations are included.

(Note 2) Section manager level and above (assistant general managers to management positions)

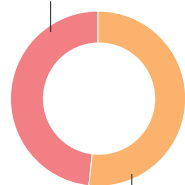
Number and percentage of male and female employees/managerial positions in the Sumitomo Electric Group ^(Note 1) ^(Note 2)

As of March 31 of 2024

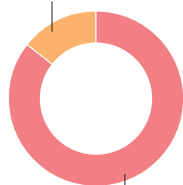
Total number of full-time employees	293,266	Total number of managerial positions ^(Note 3)	15,599
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Male 141,010 employees (48.1%)

Female 2,232 employees (14.3%)



Female 152,256 employees (51.9%)



Male 13,367 employees (85.7%)

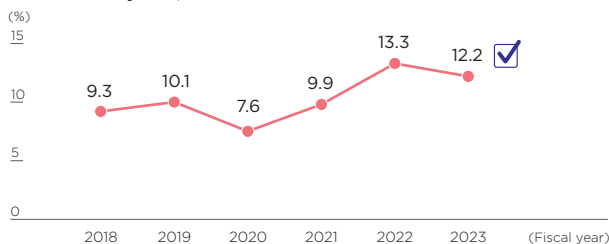
(Note 1) Sumitomo Electric and its consolidated subsidiaries

(Note 2) For the coverage, those on loan from the Group to outside are excluded, but those on loan from outside to the Group are included.

(Note 3) Managerial position: section manager level and above

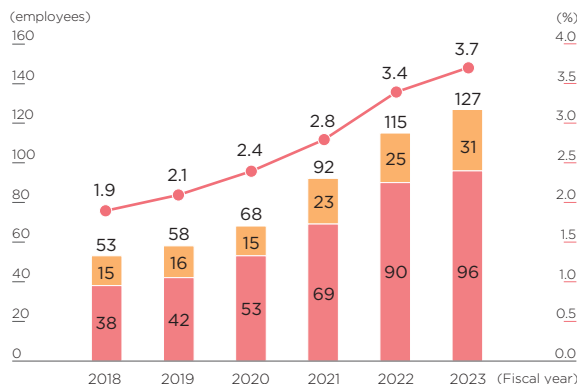
Turnover Rate in Sumitomo Electric

(percentage of the employees who were hired as new graduates three years before the relevant year and have left the company within three years)



Number and percentage of women in managerial positions (section manager level and above) ^(Note)

as of the end of each fiscal year



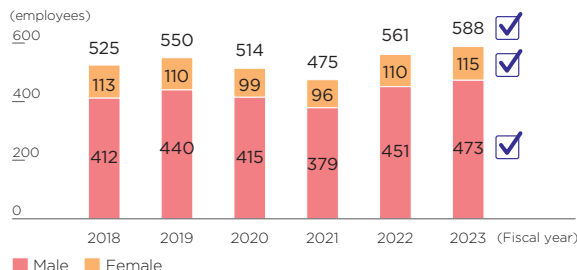
■ Section manager level (assistant general managers)

■ General manager level and above (Senior assistant general managers, management positions)

● Percentage of women in managerial positions

(Note) For the coverage, Sumitomo Electric employees on loan to affiliates and other organizations are included.

Number of Male/Female Employees Hired by Sumitomo Electric (All Functions)



Difference in wages between men and women at Sumitomo Electric

	All workers	Regular employees	Non-regular employees
FY2023	72.9%	73.4%	51.4%

* Calculated based on provisions in the Act on the Promotion of Women's Active Engagement in Professional Life

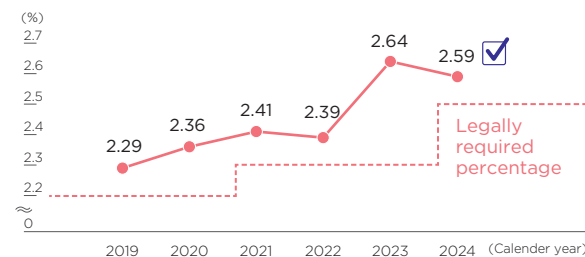
Number of Employees with Disabilities at Sumiden Friend

As of June 15 of each year

Year	2019	2020	2021	2022	2023	2024
The disabled (Persons)	56	62	78	86	101	104

Employment Rate of the Physically or Mentally Disabled by Year

As of June 15 of each year



Evaluation by External Organizations

Certification with "L-boshi"

We were certified with "L-boshi (the highest-ranking 3 stars)" in August 2016. L-boshi ('L Star': L stands for Lady, Labour and Laudable) is a certification granted by the Minister of Health, Labour and Welfare of Japan to companies that are outstanding in terms of encouraging women to play more active roles based on the Act on the Promotion of Women's Active Engagement in Professional Life.



Selected as a Nadeshiko Brand

In recognition of its outstanding achievement in the encouragement of women to work actively, as well as the attractiveness of the brand that focuses on the medium- to long-term improvement of corporate value, Sumitomo Electric was selected as a Nadeshiko Brand for FY2023 among listed companies by the Ministry of Economy, Trade and Industry of Japan and the Tokyo Stock Exchange in March 2024. This is the fifth selection in total, following FY2016, 2018, 2020, and 2021.



Safe and Sound Workplace (Labor Standards and Practices)

Basic Approach and Policy

While society is experiencing major environmental changes such as a decrease in the working-age population due to the declining birthrate and an aging population, as well as the diversification of the needs of working employees including balance with childcare and nursing care, Sumitomo Electric is developing a company-wide campaign that aims to achieve a balanced work style for the creation of an organization where diverse human resources can play an active role with a sense of fulfillment and make the most of their abilities. Since 2008, we have worked to review and streamline operations at each department. We are currently implementing initiatives to review work styles across the Company and in each department in order to improve productivity by reducing total annual working hours, encouraging the use of

paid vacation and improving work efficiency. By increasing employee engagement through increasing job satisfaction, in addition to reducing working hours, we will strive to create a comfortable workplace that contributes to maintaining and expanding corporate performance.

Structure

To create an environment where diverse human resources can work lively, the union and management have set up expert committees of various kinds to improve working systems and reinforce monitoring functions.

In addition, we regularly organize town hall meetings where employees can have direct dialogue with executives and make use of the opinions received in the meetings for organizational operation and planning of personnel systems.

 [Details on structure](#)

Initiatives

Company-wide Campaign for Work Style Reforms

Since 2008, we have promoted a company-wide campaign to achieve work styles that balance work and life. We conduct both company-wide and division-specific initiatives to reduce total annual working hours, encourage employees to take paid holidays and improve work efficiency and productivity.

In particular, we now conduct initiatives from various perspectives including efforts to change the corporate culture and awareness, as well as enhancement of productivity through the use of infrastructure and IT tools and the review of work rules and processes.

Support for Balancing Work and Life

Our past efforts have made certain results, such as the return of many female employees who have given birth to work after taking childcare leave. We will promote the expansion and improvement of the relevant systems to ensure that male employees can also participate in child rearing, as well as female employees, by taking childcare leave and leave when their spouses have given birth.

We are also implementing initiatives to deepen each employee's understanding, such as posting a guidebook that introduces various systems that help balance work and life, as well as how to use them, on our intranet. Thus, we are promoting various measures to create a work environment where employees can balance work and life.

Various Types of Support*

We support the life of each employee in various aspects

■ Encouragement of male employees to participate in child rearing

As a measure to promote men's participation in childcare, we have set a new company-wide goal of "Percentage of male employees who took childcare leave: 100%," and in October 2022, we made it mandatory for employees to take childcare leave for five consecutive days or more within eight weeks from the birth of their children. We also take various initiatives to create a work environment that makes it easier for employees to take longer childcare leave in the medium to long term, such as spouse childcare support interviews, which are conducted when an employee reports that their spouse has become pregnant or given birth, and childcare support guidebooks for male employees and superiors.

■ Reemployment System

In April 2008, Sumitomo Electric introduced a scheme to reemploy employees who resigned due to circumstances beyond their control such as childbirth, childcare and nursing care. In the scheme, we organize interviews and reemploy eligible persons when they are able to return to work (within three years or, for those who moved overseas, five years from their resignation) and, as a general rule, assign them to their former workplaces.

■ System to take a leave to accompany his/her spouse who is assigned overseas

In April 2017, we introduced a system in which an employee can take temporary retirement of up to five years in order to accompany his/her

Targets

■ Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Proper return of achievements and treatment that motivate employees <ul style="list-style-type: none"> ● Compensation growth: Aiming for inflation rate +α 	Proper return of achievements and treatment that motivate employees <ul style="list-style-type: none"> ● Pay increase rate (regular pay increase + base pay increase) ^(Note 3): 5.75%
Support for balancing work and life <ul style="list-style-type: none"> ● Percentage of male employees taking childcare leave ^(Note 1): 100% 	Support for balancing work and life <ul style="list-style-type: none"> ● Percentage of male employees taking childcare leave ^(Note 1): 100%
Company-wide campaign to review work styles <ul style="list-style-type: none"> ● Total working hours ^(Note 2): less than 1,920 hours/year ● Promotion of work styles appropriate for improving productivity and generating returns 	Company-wide campaign to review work styles <ul style="list-style-type: none"> ● Total working hours ^(Note 2): 1,935 hours/year

(Note 1) The data covers Sumitomo Electric alone employees and those on loan to subsidiaries. "100%" means that a male employee whose child was born are bound to take childcare leave even if the year when he/she was born and he takes childcare leave does not belong in the same fiscal year.

(Note 2) Per-capita average of the working hours of labor union members (Sumitomo Electric alone + employees on loan to subsidiaries)

(Note 3) Pay rise rate of labor union members (Sumitomo Electric alone employees + employees on loan to subsidiaries in Japan)

Targets for fiscal 2024 (single-year targets)

- Promotion of diverse work styles
- Achievement of 100% male employees who take childcare leave
- Organizational improvement activities including reassessment of work styles

➔ [See here for the results in fiscal 2023](#)

spouse who is assigned overseas. This system allows temporary retirement in such a situation with the aim of preventing employees from quitting the Company.

Childcare Centers

As a measure to foster a supportive environment for employees working full-time while raising children, Sumitomo Electric opened childcare centers at its Yokohama and Osaka Works in March and April 2008 respectively and Itami Works in March 2009. In 2018, a new childcare center was established in the neighborhood of our Tokyo Head Office. As of March 31, 2024, these centers take care of 49 children in total.

In addition, for employees who cannot use our childcare centers, we are taking other supportive measures such as subsidizing their use of other childcare centers.

Babysitter Discount Coupon

We purchase Babysitter Discount Coupons, issued as support from Children and Families Agency, and distribute them free of charge to employees who wish to hire babysitters.

Hokatsu Concierge System

In the activities to find childcare facilities to take care of children ("hokatsu" in Japanese), various kinds of know-how are needed because the approach and schedule of such activities depend on the childcare environment in the place of residence and the month of birth of the children. This Hokatsu Concierge system, which started in November 2014, aims to help employees during childcare leave return to work smoothly at the time they hope to return. Know-how on hokatsu depending on the circumstances of individual employees, as well as information on childcare facilities, is provided in this system.

Work from Home Arrangements

We introduced work from home arrangements, which allow employees who face restrictions on their work due to childcare, nursing care, etc. to work at home or other locations in fiscal 2016. In October 2018, we started to allow other employees who meet specific requirements, such

as abilities to autonomously fulfill duties and make achievements, to use the system. The purposes of the expansion of the system include the realization of flexible and efficient work styles and the improvement of productivity through the review of work styles. In 2020, we started to apply special measures (temporary relaxation of requirements) from the perspectives of preventing the spread of COVID-19 infection and ensuring business continuity. The measures were abolished at the end of March 2023 and we have shifted to operations that focus on improving productivity and creating results, which are the original purposes. Specifically, while assuming that employees work from home for five days in a month on average, we allow them to work from home at the discretion of superiors as long as it does not exceed half of the monthly working days. Even when it exceeds half of the monthly working days, employees can work from home with approval from general managers. We will promote even more effective and efficient business operations with the hybrid use of working from home and coming to the office.

Volunteer leave program

Employees can take up to 10 holidays in a year to engage in volunteer activities approved by the Company. This system is used for various activities for contributing to society such as coaching of local children in sports activities and accompanying of children on trips for residential training and games.

Childbirth and Rearing Support Program

For female workers during pregnancy and parenting, it is especially important to have dialogue with their superiors in a detailed manner. In fiscal 2015, we introduced a system to organize dialogue between such an employee and her superior when she is found pregnant, one month before maternity leave, before return to work from childcare leave and two months after return to work from childcare leave, to help her return to work smoothly and work actively after the return from childcare leave. In fiscal 2019, the system was revised to also organize such dialogue six months after the return from childcare leave to encourage dialogue with focus on her career path.

International Employees Support Project

Since 2017, we have taken various measures to create a work environment where international employees can work comfortably. Specific measures include the establishment of a support desk where staff can give support in Japanese, English and Chinese, the development of bilingual systems (Japanese and English) for time and attendance management, business trip

transportation expenses and other items, issuance of pay slips and internal regulations in English and creation of prayer rooms in major sites.

➔ See here for number of users of the employee support programs

 Details on various types of support

 Comparison table between employee support programs and laws

CSR VOICE

I took childcare leave for about four months



Takahiro Chiba
Optical Component Section,
Manufacturing Division
Processing Plant,
Sumitomo Electric
Hardmetal Corp.

My second child was born in August 2023, and I took childcare leave for some four months from early September to late December 2023.

Having been wanting to participate in childcare, I consulted with my superior around in May. My workplace's eagerness to encourage employees to take childcare leave also drove me forward. During the leave, I took charge of overall housework while sharing day-and-night childcare work with my wife. I am pleased to help her secure time to relax to renew mind and body.

I am thankful of my workplace for helping me take a long-term childcare leave. By communicating frankly my intention to take childcare leave and its purpose to my superior, I believe that I made myself understood smoothly. As a growing number of employees take childcare leave, I will spare no effort in creating a pleasant workplace for everyone to work.

Results in Fiscal 2023

Targets for fiscal 2023 (single-year targets) and Results

Targets for fiscal 2023 (single-year targets)	Results in FY2023
Support for balancing work and life <ul style="list-style-type: none"> ● Expansion and improvement of systems to provide support for balancing work and life ● Increase of the percentage of male employees who take childcare leave to 100% 	Support for balancing work and life <ul style="list-style-type: none"> ● Added auxiliary programs related to fertility treatment and home service in Cafeteria Plan* ● Accumulated holidays made usable on a half day basis ● Percentage of male employees taking childcare leave ^(Note): 100%

(Note) The data covers Sumitomo Electric alone employees and those on loan to subsidiaries.

Glossary

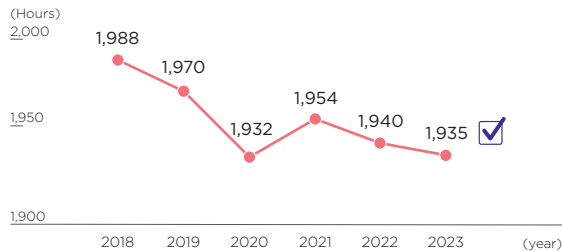
*Cafeteria Plan: A selection-based welfare program that allows employees to use points given by the company for having access to services and supports they want.

Average Overtime Hours per Month and Average Number of Paid Holidays Taken by Employees by Year

Year	2018	2019	2020	2021	2022	2023
Average overtime hours per month	18.7 hours	17.5 hours	13.6 hours	16.3 hours	16.0 hours	16.1 hours <input checked="" type="checkbox"/>
Average number of paid holidays taken by employees per year	16.5 days	16.9 days	15.8 days	17.1 days	18.5 days	19.2 days <input checked="" type="checkbox"/>

(Note) Average among labor union members (including those on loan to subsidiaries) from January to December in each year. Up to 2022, those from our four Works, Sumitomo (SEI) Electronic Wire, Inc., Osaka and Tokyo Head Offices, Chubu Branch, and Toyota Works (including those on loan to subsidiaries within the Works) were covered.

Average Total Working Hours by Year



(Note) Average among labor union members (including those on loan to subsidiaries) from January to December in each year. Up to 2022, those from our four Works, Sumitomo (SEI) Electronic Wire, Inc., Osaka and Tokyo Head Offices, Chubu Branch, and Toyota Works (including those on loan to subsidiaries within the Works) were covered.

Percentage of male employees who took childcare leave (Note 1)

FY	2021	2022	2023
Number of male employees who took childcare leave (Note 2) (Note 3)	189	267	282
Number of employees who took leave when their spouses gave birth (Note 2)	146	179	179
Percentage of male employees who took childcare leave (Note 4)	49%	76%	100%

(Note 1) The data covers Sumitomo Electric alone employees and those on loan to subsidiaries.
 (Note 2) Covers employees who took childcare leave in that fiscal year regardless of the fiscal year when respective child (children) was born.
 (Note 3) Includes employees who took childcare leave twice or more because of the born child.
 (Note 4) As the case is taken into account from this year where employees eligible for childcare leave in a certain fiscal year took it the next fiscal year, some figures published in the CSR books for FY2021 and 2022 were corrected.

Evaluation by External Organizations

■ Certification in the "Platinum Kurumin" System

In the "Platinum Kurumin" system, the Minister of Health, Labour and Welfare of Japan grants certification to companies that are actively committed to supporting employees in child-rearing through an especially high level of initiatives in order to assist the healthy growth of children, who are bearers of the society of the next generation. Sumitomo Electric received the certification in June 2019.



Special certification mark "Platinum Kurumin"

Safe and Sound Workplace (Health and Productivity Management)

Basic Approach and Policy

By providing positive support to employees working on health improvement activities, as well as promoting organizational measures to improve the health of employees, we will raise their awareness toward health (health literacy) and aim to become a corporate group where all employees can work healthy and lively.

In 2015, the Sumitomo Electric Group announced the Sumitomo Electric Group Health and Productivity Management* Declaration. We are now promoting the Kenkatsu! activities that set (1) prevention of lifestyle-related diseases, (2) establishing exercise habits and (3) mental healthcare as the three pillars. To achieve sustainable development and growth of the

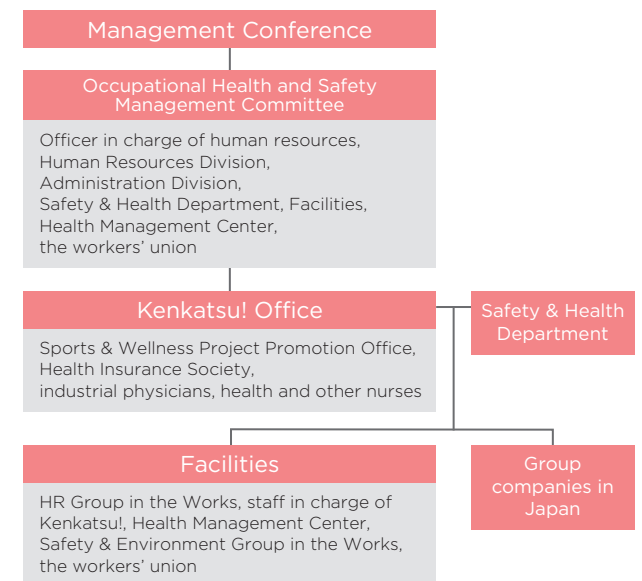
Group, we believe it is essential that our diverse human resources maintain and improve their physical and mental health and that they can work energetically with a sense of purpose. We will continue the Kenkatsu! activities and promote initiatives to improve the health of our employees and their family members.

[Web](#) The entire text of Health and Productivity Management Declaration

Structure

The Occupational Health and Safety Management Committee, which is chaired by the officer in charge of human resources, holds a meeting four times a year to decide the company-wide policy and discuss relevant measures. Kenkatsu! Office introduces the measures designed in coordination with Safety & Health Department into our facilities and Group companies in Japan. The office is also in charge of progress management and verification of the effects.

Organizations for Promoting



Targets

Focusing on three key measures (prevention of lifestyle-related diseases, establishing exercise habits, mental healthcare), Sumitomo Electric will analyze

correlations between various data in order to promote initiatives that can further improve labor productivity and engagement.

Targets for the achievement of Mid-term Management Plan 2025

Health investment	[KPI] Indicators of changes in the awareness and behavior of employees, etc.			Indicators for the ultimate health-related targets
	Indicator (KPI)	Results	Targets	
① Further promotion of measures focusing on the three pillars of Kenkatsul activities		FY2023	FY2025	Reduction of presenteeism
	Rate of those maintaining their appropriate body weight*	65.4%	65.0%	
② Dissemination of Kenkatsul activities, development of health culture, improvement of health awareness	Smoking rate	Male	23.2%	Reduction of loss of work opportunities due to absence due to disease (absenteeism)
		Female	5.1%	
③ Implementation of measures to address health challenges that can cause presenteeism*	Rate of persons with an exercise habit*	34.2%	40.0%	Improvement of engagement
	Rate of those with high stress*	11.5%	10.0%	

Initiatives

Initiatives in fiscal 2023

Prevention of lifestyle-related diseases	Healthy practices campaign
	In the program, participants set targets on daily exercise, dietary habits and other items and received incentives according to the degree of achievement. Number of participants: 1,250 for first half; 592 for second half
	Lifestyle review training
	Experts gave online seminars on such subjects as sleep and meals. Number of attendees: 200 for "Sleep," 258 for "Diet"
	Juvenile metabolic syndrome improvement program
Lifestyle improvement program for those aged less than 40 who fall into a metabolic syndrome baseline Number of attendees: 16 (high-risk persons)	
Measures to prevent passive smoking	
Smoking during office hours was banned (from April 2022) and a subsidy was given for the costs of treatment to quit smoking.	

Establishing exercise habits	SEI Challenge Cup
	Hosted a sporting event SEI Challenge Cup, a team competition in which teams competed for a total score of three events (relay marathon, 50-meters, mōlkky) Number of participants: 221
	Walking event
	A biannual event in which participants walked with a target of walking 8,000 steps every day over two months to make walking a habit. Number of participants: 3,276 for first half and 3,420 for second half
Support for sporting activities	Financial support to clubs of like-minded people and sporting teams in the form of a sporting activity incentive

Mental healthcare	Self-care training
	An online seminar under the theme, "Mindfulness—selfcare through meditation" Number of attendees: 555 (four sessions)
	Training for management-level employees
An online seminar under the theme, "Approach to workplace environment improvement for preventing mental illness" Number of attendees: 635 (four sessions)	
Continued implementation of the working environment improvement initiative "workplace health checkup"	A six-month improvement program was implemented in workplaces that were found to have high risks based on the results of the stress check.

Measures against presenteeism	Support of women's health
	A video seminar under the theme, "Menstrual problems and self-care," "Menopausal symptoms common to men and women," "Support for balancing between women's health issues and work" Number of attendees: 788
	Shoulder stiffness (headache) relief seminar
A physical therapist gave advice on self-care by shoulder stiffness type and arrangements of work space environment. Number of attendees: 211	
Eyestrain seminar	A physical therapist gave advice on how to massage eyes and arrangements of work space environment. Number of attendees: 257

General, others	Health Festa
	Conducted a measure of physical fitness and an athletic experience event for employees, their families and local residents under the instruction of our track and field athletes.
	Training at the time of promotion, training for managerial employees
Gave position-based education focusing on health and productivity management, Kenkatsu activities, health literacy improvement among others. Number of trainees: 1,074	
Interviews with all new graduates for main career track	Promotion of understanding of industrial health, their health state checks

Glossary ***Presenteeism**: A situation where the employee is at work but is not able to fully perform their duties due to health disorders.
***Rate of those maintaining their appropriate body weight**: 18.5 or more to less than 25 in BMI.

***Rate of persons with an exercise habit**: Having a 30-minute exercise twice or more a week.
***Rate of those with high stress**: Calculated based on the Ministry of Health, Labour and Welfare's criteria with individual stress response (fatigue, uneasiness, depression, appetite and sleep), stress factors, and support from others (consisting of 4 scales as in the Overall Health Risk) arranged in a biaxial graph following stress test.

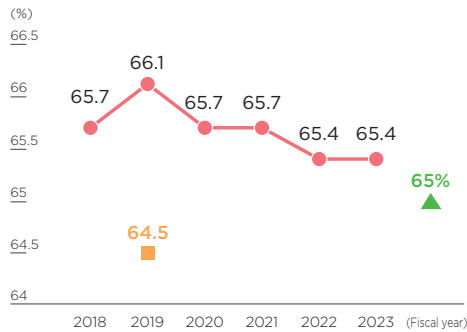
Results in Fiscal 2023

KPI by year until fiscal 2023

▲ Target for FY2025 ■ National average

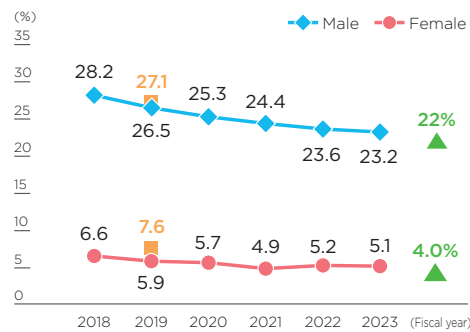
Prevention of lifestyle-related diseases

Rate of those maintaining their appropriate body weight ^(Note)



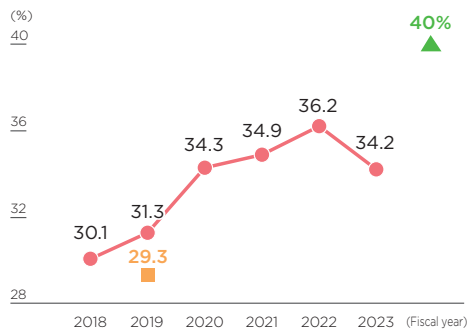
Prevention of lifestyle-related diseases

Smoking rate ^(Note)



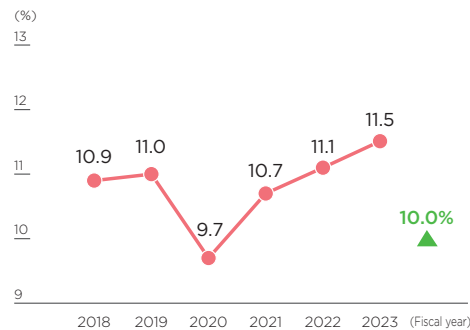
Establishing exercise habits with sport promotion

Rate of persons with an exercise habit ^(Note)



Mental healthcare

Rate of those with high stress



(Note) As the data coverage was reviewed starting fiscal 2022, some figures for fiscal 2022 published in CSR Book 2023 were corrected.

Other indicators

Productivity evaluation indicator focusing on employees' performance (performance indicator)

Indicators	Results	
	FY2022	FY2023
Work engagement	8.99	8.97
Presenteeism	16.6%	18.0%
Absenteeism	1.24%	1.30%

Indicator on health investment measures

Indicators	Results	
	FY2022	FY2023
Routine medical checkup rate	100%	100%
Detailed medical checkup rate	—	54.6%
Stress check rate	92.6%	94.2%

Indicators of changes in the awareness and behavior of employees

Indicators	Results	
	FY2022	FY2023
Blood pressure treatment rate [keeping watch on high-risk persons (treatment continuity rate)]	86.6%	84.4%

Indicators for the ultimate health-related targets (Other than performance indicator)

Indicators	Results	
	FY2022	FY2023
Status of absenteeism due to mental illness (percentage of employees with mental illness of the absentees)	54.2%	49.4%

Work engagement: Conducted the 3-item version of the Utrecht Work Engagement Scale in the health awareness questionnaire survey (response rate: 68% (Base number: 12,849) for fiscal 2022, 70% (Base number: 11,969) for fiscal 2023). The three items are assessed on a seven-point scale and the average of the sum is used as the score.

Presenteeism: Asked questions on the indicators from the health awareness questionnaire survey that serve as indicators for WFun, which measures labor dysfunction. The total score is calculated by evaluating seven items on a five-point scale, and the value indicates the percentage of employees who score 21 points or higher.

Absenteeism: Rate of the employees who have been absent for 30 consecutive days or more due to non-occupational diseases (Base number: 13,368 for fiscal 2022; 12,939 for fiscal 2023)

Blood pressure treatment rate: Calculated rate of those under hypertension treatment to keep watch on high-risk persons

External Assessment

■ Certified as a 2024 excellent health and productivity company (White 500)

Sumitomo Electric was certified by Nippon Kenko Kaigi as an excellent health and productivity company (White 500) for the 6th times for the 3rd straight year.



■ Recognition as a Sports Yell Company

We were recognized as a Sports Yell Company 2024 by the Japan Sports Agency in February 2024. It was the sixth certification for the Company.



Occupational Safety and Health Aiming for a global top safe enterprise

Basic Approach and Policy

The Sumitomo Electric Group has placed safety as one of the most important managerial issues, and it has continued making efforts to eliminate occupational accidents, including activities led by the safety and health organization, promotion of equipment safety measures, and establishment of a safety and health education system.

Recognizing that ensuring the safety and

health of employees is essential for continuous business operations and is also part of our corporate social responsibility, we established "Safety Philosophy," and "Principles of Safety Activities", in addition to "Occupational Safety and Health Guidelines." Aiming to be a global top safe enterprise, the entire group is making a concerted effort in performing safety and health activities.

Safety Philosophy

- Safety is our top priority.
- All accidents can be prevented.

Principles of Safety Activities

1. Top managements of business sites and organizations shall act to lead by example of themselves in improvement of the safety culture.
2. Mutually enlighten safety consciousness through bidirectional communication.
3. All members shall act to aim a global top safe enterprise.

Occupational Safety and Health Guidelines

We, Sumitomo Electric Group, raise "Safety is our top priority" in group wide, and, aim comfortable workplaces able to work in safe and ease, by belief of top management and efforts of individuals in the group, under the basic spirit of "Respect for Humanity."

We establish and enforce following guidelines, and actively endeavor to improve the occupational safety and health.

1. By eliminating every hazardous and harmful elements from the workplace, aim to be a top enterprise of "Zero Accidents, Zero Dangers."
2. Comply company rules, as well as, legal regulations and other safety requirements.
3. By conducting safety and health education and training, enhance the sensitivity and knowledge.
4. Achieve work environment able to work comfortably in health in both mental and physical aspects.

Structure

Safety and Health management structure

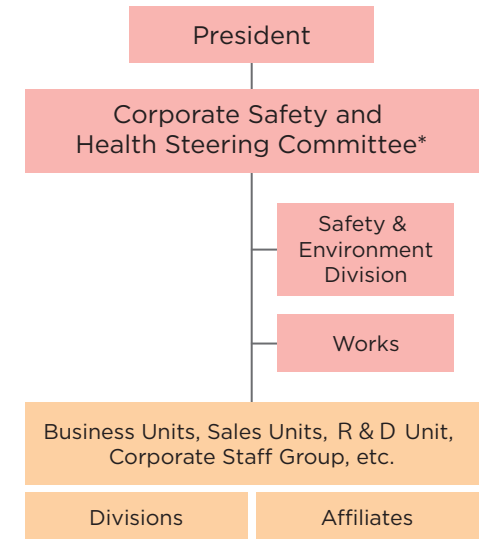
The Corporate Safety and Health Steering Committee, which is composed of representatives from each Business Unit, sets policies and targets to improve occupational safety and health activities throughout the Sumitomo Electric Group and reduce occupational accidents. After deliberation, the committee decides the measures and activities to be implemented. Final approval is given at the Management Conference of Sumitomo Electric Industries, Ltd. headed by the president.

Promoting Occupational Safety and Health Management and Strengthening of Risk Assessment Practice

To achieve perfect occupational safety, it is essential to eliminate risk factors, and thus it is important to effectively operate an occupational safety and health management system and strengthen risk assessments.

An occupational safety and health management system is a system for taking measures before an accident occurs by identifying and evaluating hazard sources and harmful elements latent in field work. The Ministry of Health, Labour and Welfare recommends its introduction as part of activities to eliminate occupational accidents, and activities to promote this system are carried out internationally.

We are promoting introduction of the occupational safety and health management system and actively working to carry out risk assessments based on the system, where we identify and evaluate hazard sources at workplaces, thereby reducing risk levels systematically and continuously.



* Chairperson: General Manager of Manufacturing Management & Engineering Unit

Vice Chairperson: Deputy General Manager of Manufacturing Management & Engineering Unit

Members: Representatives from divisions and affiliates, General Managers of Plant & Production Systems Engineering Division of Manufacturing Management & Engineering Unit, R&D Planning & Administration Division, Sales Planning & Marketing Division and Human Resources Division, General Managers of Works, etc.

Organizer: Safety & Environment Division

Targets

■ Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
● Zero serious accidents	● Zero serious accidents

Targets for fiscal 2024 (single-year targets)

- Zero serious accidents and zero accidents resulting in lost work time

Initiatives

Safety activities are continued with three pillars

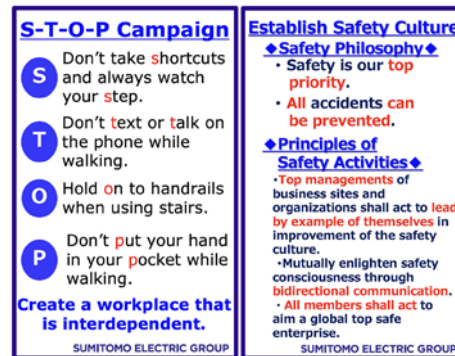
① Fostering Safety Culture

We are working to foster a safety culture based on our Safety Philosophy and Principles of Safety Activities.

1. Executives such as division general managers or the president of an affiliate declare action targets as “safety actions of top management” and demonstrate the actions to drive the safety mindset of employees. At the end of a fiscal year, we conduct a review of it to reflect it on the next fiscal year.
2. We value dialogues between managers/supervisors and workers through safety patrols on a regular-basis. The patrollers directly convey their gratitude to the workers for their compliance with the safety-rules, and share the patrollers’ findings and insights regarding risks at the workplaces. Increasing quality dialogues help us find both actual and potential risks, thereby improve the operations better. To raise the quality of the level of dialogue, we develop safety experts in each division to

have dialogue points shared through them for fostering safety culture.

3. The S-T-O-P accident campaign* and other initiatives involving all employees are taken to disseminate safe actions.
4. We conduct a periodical safety awareness survey to quantify each division’s tendency. Making the most of good case examples in our group, we promote improvement activities attuned to it.



Portable safety awareness card (face side)

② Safety Measures in Facilities

- Protecting people from dangers through hardware-related measures

Residual Energy Zero Activity

We have identified 2,400 routine operations that involve risks where workers directly contact with or approach to rotating and moving parts of equipment, then implemented hardware-related measures for most of them. In fiscal 2023, we focused on the 40 remaining operations assumed to be difficult to tackle, 25 of which were addressed. In fiscal 2024, we will continue to focus on completing measures for the other 15 operations. Meanwhile, we have not eliminated accidents involved with non-routine operations such as troubleshooting. Although “Siwtch-Off,” or turning off the switch of the equipment before any non-routine operations, is imperative and publicized as best we can, we still have accidents due to remaining energy such as residual pressure and inertia. To address the issue, we are promoting equipment safety measures aimed for the visualization and reduction to zero of residual energy.

Preventing serious accidents involving forklifts

We are promoting measures to separate forklifts from people to prevent serious accidents caused by forklifts, and completed our goal of “separation with fixed fences and temporal separation” (Level 4) in all locations in fiscal 2023. At any case where Level-4 separation becomes hard to maintain, we analyze the causes and work on hardware- and software-related measures to address the issue.



Safety experts development training in fiscal 2023

③ Developing Human Resources with High Safety Awareness

- Protect your life by yourself

While the number of accidents caused by facilities is decreasing, the number of accidents due to human error or management remains unchanged. In order to eliminate accidents, it is necessary to improve employees’ attitude toward safety that can reduce unsafe actions.

We added in the company-wide training program “Deloveping human resources with high safety awareness” in fiscal 2017, focusing on the following points.

Point 1: Shift from “one-way education based on lectures” to “dialogue-based education to appeal to sensitivity and enhance motivation and awareness”

- Listening directly to those affected by accidents (to have them express their remorse, hard feelings and physical and mental pains directly)
- CG video to simulate a disaster + discussion and presentation to consider the causes of the accidents and how they could have been prevented and exchange opinions.

Point 2: Repetitive safety training to be provided periodically

- We launched repetitive safety training in fiscal 2019. The program is currently held in five Works and was attended by 891 persons in total in fiscal 2023.
- We are also continuing to train instructors of CG video for simulating a disaster, aiming to expand the training in our affiliates as well.



Repetitive safety training in fiscal 2023

Glossary *S-T-O-P Accident Campaign: This slogan represents basic rules to be followed while walking. **S**: Do not take a short cut and watch your step; **T**: Do not text or talk on the phone while walking; **O**: Hold on to the handrails when using stairs; and **P**: Do not put your hands in your pocket while walking

Results in Fiscal 2023

Results in Fiscal 2023

In fiscal 2023, we had zero serious accidents in Japan and overseas, whereas 8 persons has suffered from lost work-time accidents in the Group excluding Nissin Electric Co., Ltd. and TECHNO ASSOCIE Co., Ltd. Against the targets of zero serious accident and zero lost work-time accident, we failed to achieve them while the number of accidents decreased from the last fiscal year.

Accidents Involving Injuries in the Sumitomo Electric Group

		Employees			Temporary worker, subcontractor	Total
		Japan	Overseas	Total		
FY 2023	Serious accidents	0	0	0	0	0
	Accidents resulting in lost work time	3	5	8	6	14
	Total	3	5	8	6	14
FY 2022	Serious accidents	0	0	0	0	0
	Accidents resulting in lost work time	6	3	9	2	11
	Total	6	3	9	2	11

(Note 1) A serious accident is an accident resulting in death or other serious injury.

(Note 2) The data on employees cover Sumitomo Electric and its affiliates (excluding the listed subsidiaries), as well as the companies that are not affiliates of Sumitomo Electric but subject to occupational health and safety-related guidance and supervision by Sumitomo Electric.

(Note 3) For employees (overseas), the number of temporary workers and subcontractors may be included.

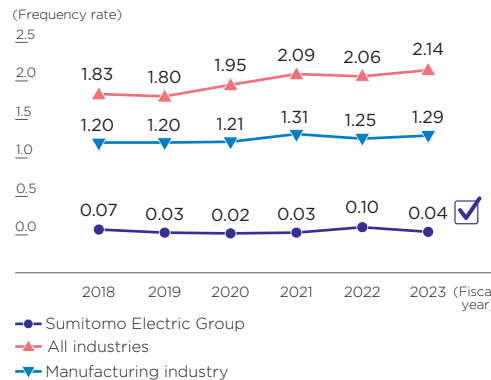
Serious Accident Occurred in Fiscal 2024

In July 2024, an accident occurred at one of our Works, resulting in the death of an employee. We would like to offer our sincere prayers for the repose of the soul of the deceased employee and extend our deepest condolences to his bereaved family.

The Sumitomo Electric Group has placed safety as one of the most important managerial issues, and we have pursued various safety activities. We reflect extremely seriously on the fact that the disaster occurred despite our relentless efforts for safety. In order to prevent a recurrence of such a disaster, we are committed to thoroughly investigating the causes and implementing countermeasures. In addition, all employees, including officers and management-level employees, will once again keep in mind the safety philosophy that "Safety is our top priority" and promote the creation of a safe workplace in order to ensure the safety of our employees.

In addition, to create workplaces of even higher level of safety in the Sumitomo Electric Group as a whole, we continue to share ideas and know-hows of safety activities with Sumitomo Riko Company Limited and SUMITOMO DENSETSU CO., LTD., which are the listed subsidiaries of the Group. The number of injuries in the Group, including those in the listed subsidiaries, resulted in 16 lost-work time accidents in fiscal 2023, a decrease by 3 from the previous fiscal year.

Lost Time Injuries Frequency Rate for Employees in Japan by Year



(Note) The lost time injuries frequency rate for employees in Japan in the Sumitomo Electric Group covers Sumitomo Electric and its affiliates in Japan (excluding listed subsidiaries).

CSR VOICE

Health and Safety Activities in Water Processing Division - Aiming at an organization that can foster mutual enlightenment -



Left in the photo: Toshihiro Tanaka (Safety & Health Expert Committee member)

Right in the photo: Shinsuke Kawabe (Safety & Health Expert Committee member)

Manufacturing Department Water Processing Division

The Water Processing Division has been working to improve safety awareness with a goal that safety and health activities become established and self-sustaining as daily activities for all employees, and create a safe workplace through sustaining the activities. As a result of analyzing the current situation, weaknesses were highlighted in that participation in activities was limited and there were large differences in the levels of safety awareness between individuals. Therefore, all employees participated in activities by taking turns patrolling our shopfloor and office every day to increase opportunities that all employees

participate in the activities. The patrol members notify all staffs of any problems they discover, and may also come up with and propose countermeasures themselves. Offering the greeting "Be safe!" during patrols and praising things that were done well as good points made communication active. Particularly, factory patrol findings are shared and opinions are exchanged at the daily morning safety meeting. That helps improve safety awareness.

In addition, we hold a monthly safety meeting jointly at all production sites in our Division, where we share up-to-date improvement cases. Employees in each workplace consider whether all of the introduced improvement cases can be implemented in their own workplaces to promote horizontal expansion. In addition to successfully standardizing safety measures throughout the Division, they have become more proactive in implementing horizontal expansion. We will continue to improve the level of our activities and aim to create a workplace where our colleagues encourage each other and where we are considerate towards our colleagues.



Safety morning meeting

Activities Contributing to Society

Basic Approach and Policy

Basic Policies on Contribution to Society

Sumitomo Electric stipulated the Sumitomo Electric Group Basic Policies on Contribution to Society, which are based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, on the occasion of the 110th anniversary of its founding in 2007.

Under the policies, we are committed to the activities for contributing to society suitable for the Sumitomo Electric Group, which is aiming to be a "Glorious Excellent Company." Our main activities include initiatives taken through the Sumitomo Electric Group CSR Foundation, a non-profit grant-making organization, (hereinafter "the CSR Foundation") as a vehicle to contribute to the encouragement of research and learning activities and human resource development. The initiatives also include continuous support of volunteer activities by employees, participation in initiatives aiming at the development of economic society and international society by those involved in the Sumitomo Electric Group, promotion of contribution to local communities such as environmental conservation and active support of sports activities.

The Sumitomo Electric Group Basic Policies on Contribution to Society

Established in April 2007

The Sumitomo Electric Group will proactively engage in voluntary activities for contributing to society, as a responsible member of society, focusing on "respect for human resources," "attaching importance to technology," and "creating a better society and environment" in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, as well as widely contributing to society through its business activities, including the provision of products, technologies and services that benefit society.

- Globally promote efforts toward the development of human resources, the promotion of research and learning and environmental conservation.
- Promote community-oriented activities for contributing to society in the Group's business locations all over the world.
- Provide continuous support to employees' voluntary contribution to society.

Structure

Based on the Sumitomo Electric Group Basic Policies on Contribution to Society, the CSR Foundation, the Company and our affiliates in Japan and overseas promote activities for contributing to society. The CSR Foundation supports activities aiming at resolving social issues while achieving economic development, advanced and original research in the natural sciences, engineering and social sciences, and outstanding students in need of financial assistance. While respecting the culture and

customs of every region and country, the Company and our affiliates in Japan and overseas promote various activities for contributing to society with the aims of contributing to the development of local economy and society through business activities and building harmonious relations with them. Activities of particularly high importance are implemented after deliberation at the Board of Directors and other important internal meetings.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> • Continuance and enhancement of various activities based on the Sumitomo Electric Group Basic Policies on Contribution to Society • Develop next generation talents and promote academic pursuits through the Sumitomo Electric Group CSR Fund, and contribute to a wide variety of activities, including activities to protect the environment • Promoting community contribution activities at each site • Continued support for employee volunteer activities • Actively supporting sports activities and events [Our contribution to CSR activities will be approx. 1% profit after-tax] 	<ul style="list-style-type: none"> • Continuance of various activities based on the Sumitomo Electric Group Basic Policies on Contribution to Society (Details are described in "Initiatives and Results".) [Our contribution to CSR activities: 1,773 million yen (Equivalent to 1.05% of profit after-tax)]

Initiatives and Results in Fiscal 2023

Develop next generation talents and promote academic pursuits through the Sumitomo Electric Group CSR Fund

In fiscal 2023, the Company donated a total of more than 166.05 million yen (including donations through the matching gifts* from Sumitomo Electric and SUMITOMO DENSETSU CO., LTD. and 1.05 million yen of donations from Sumitomo Riko Company Limited, Nissin Electric Co., Ltd. and Techno Associe Co., Ltd.) and the CSR Foundation proceeded with the following three programs: university endowed courses, financial support for academic and research activities and scholarships.

In the university endowed course program, we provided monetary support for 1 new course along with the 5 courses continued from the previous fiscal year (to make donations to 6 courses in total). For the program to financially support academic and research activities, we received 181 applications. Out of them, we have selected 24 research programs including basic science research that needs research funds and exploratory study by young researchers, and offered subsidies to them. For scholarships, we supported 168 students from Japan and other countries.

In addition, we held university endowed

courses, presentation ceremonies for academic and research grants, and exchange meetings for scholarship students (tours of our factories, debriefing session by students, etc.) to deepen collaboration between researchers and student.

Initiatives (as of the end of March 2024)

Major Initiatives	FY2023	Total (Note)
① University endowed courses	6 courses (86.50 million yen)	25 courses (1.42 billion yen)
② Financial support for academic and research activities	24 programs (37.76 million yen)	306 programs (0.39 billion yen)
③ Scholarships	168 students (41.89 million yen)	1,975 students (0.45 billion yen)
Local students studying at overseas universities	110 students	1,440 students
International students studying at Japanese universities	18 students	233 students
Domestic students studying at Japanese universities	40 students	302 students

(Note) Total for the period from April 2009, when the Sumitomo Electric Group CSR Foundation was established, to the end of March 2024.



Incubation program for future generation of Women Engineers specializing in biometrics and human support systems

The Sumitomo Electric Group CSR Foundation makes donations to excellent university courses that contribute to social development. One of them is a program of Nara Women's University that aims to foster women engineers. Specifically, this is an incubation program for fostering women engineers who will play an active role in society, both through a variety of efforts to increase the number of human resources aiming to become women engineers, and through the system development by engineering students in which products adapt to human biological information.

Current Situation Surrounding Women Engineers

Japan ranks 118th out of 146 countries in the Gender Gap Index, which indicates the level of achievement of gender equality. The proportion of women among university graduates in STEM* fields in Japan is also low at 18% (16% in engineering and 27% in science). Therefore, reforms to expand fostering facilities and institutions for women engineers and increasing their ratio are required.

Nara Women's University became the first women's university in Japan to establish a Faculty of Engineering in 2022, and is working to produce women engineers. The needs survey at establishment of the Faculty of Engineering indicated it is difficult for junior high school and high school students to imagine becoming women engineers (lack of peers and role models), and there were unconscious beliefs of those around them about the engineering field (limited career paths and future direction). Those may affect a small number of women engineers.

Women Engineers Program (WE program)

Therefore, with the cooperation of multiple companies and organizations that support the idea of creating a place for interaction for women interested in the engineering field, Nara Women's University has held workshops specializing in fostering women engineers starting in the summer of 2023.



Web WE program special website

Workshop Supported by the Sumitomo Electric Group CSR Foundation

Design Workshop to Create Good Jobs (For university students)

Students will visit employment support and living care facilities and learn about inclusive design*, which makes the most of diversity, by prototyping equipment that supports the daily activities of people with disabilities and creating a new workstyle.

Respect for diversity contributes to strengths of women engineers involved in product development and business creation. The program invites lecturers from a variety of fields to provide role models through guidance and interaction.



Workshop reviews by Laila Cassim, Endowed Associate Professor

(From left)

Manabu Shibasaki Professor
Laila Cassim Endowed Associate Professor
Kanoko Ito Endowed Assistant Professor
Faculty of Engineering, Nara Women's University



■ "Inclusive Super Heroes" (For junior high, high school and university students)

In the program, participants invent items for superheroes with disabilities, come up with innovative concepts and solutions through fun co-creation work, and understand the creative benefits of collaboration with people with disabilities.

In order to broaden the range of women engineers, courses for junior high and high school students are enhanced also. We offer opportunities for the students where they reduce the perceived difficulty and they consider it as a possible career path through making friends with women who aim to become engineers, and thinking about manufacturing from familiar topics.

From fiscal 2024, Nara Women's University established a common liberal arts subject with Nara University of Education which educates the next generation of teachers, and have begun efforts to introduce engineers to the educational field. In addition, in order to enhance understanding of start-ups, salon-style exchange meetings with entrepreneurs have started. The program continues to enhance support for women who aspire to become women engineers.



Explanation of inclusive design

Workshop Activity Results

Implementation period	Number of workshops	Participants	Applicants
Summer in 2023	7 workshops	129 students	187 students
Spring in 2024	6 workshops	115 students	205 students
Summer in 2024	10 workshops	161 students	245 students

Research activities of engineering students (Manufacturing using biometrics)

One of the important elements in fostering women engineers is to make them gain experience in solving problems by making full use of specialized knowledge and technology. In the research activities of this course, based on the inclusive design concept mentioned above, we analyze biological information that takes advantage of diverse individual characteristics. In addition, we are developing the patent pending system where information on multiple muscle groups that move simultaneously during walking is fed back to walking support devices in real time, allowing objects to respond to humans immediately (cooperative stimulation). The system supports independent walking including scientific user fall prevention and physical ability improvement through training, by providing the user with an optimal walking support program based on the user biological information.

The students of the inaugural class at the Faculty of Engineering at Nara Women's University are now in their third year, and their research activities will be in full swing. Through this research activity, we foster engineers at the Faculty of Engineering at Nara Women's University and produce women engineers who will play an active role in society.

Glossary

*STEM: Refers to the fields of Science, Technology, Engineering, and Mathematics, and here refers to science and engineering departments that major in these fields.

*Inclusive design: Designing products and services with consideration for diversity so that they can be easily used by all people, including women, the elderly, people with disabilities and non-Japanese.

University courses to which we made donations in fiscal 2023 and their subjects

Continued	• "Development of Quantum-nano Cancer Photoimmunotherapy for Clinical Application of Refractory Cancer" at Nagoya University
	• "Novel therapeutic approach for liver fibrosis on the basis of Medicinal-Engineering Collaboration" at Nagoya University
	• "Evaluation of innovative technologies to achieve zero emissions using a global integrated assessment model" at Kyoto University
	• "Fundamental creation engineering for the exploitation and utilization of dark matter microbes" at the University of Tsukuba
	• "Incubation program for future generation of Women Engineers specializing in biometrics and human support systems" at Nara Women's University
New	• "Building a new integrated medical system by accumulating a genomic/epigenetic database of exercise training effects" at Shinshu University

Details on the program and support for academic and research activities are introduced in the Sumitomo Electric Group CSR Foundation website.

[Web](#) The Sumitomo Electric Group CSR Foundation website

Promoting community contribution activities at each site and contribute to a wide variety of activities

The Group operates businesses in more than 40 countries and regions around the world. However, local communities face a variety of issues. The Group is voluntarily engaged in activities needed by the countries and regions where our business facilities are located. In fiscal 2023, factory tours, cleaning activities, and participation in and sponsorship of events were carried out. Sumitomo Electric alone made donations in various areas including schools and education; industrial and academic development, and research and development; culture and arts; welfare projects; local development; environmental conservation; and sports. Continuing from the previous fiscal year, we also provided support for the EXPO 2025 Osaka, Kansai, Japan.

➔ See here for amount of donations by category (Sumitomo Electric alone)

Continued support for employee volunteer activities

In addition to the introduction of a volunteer leave program, we worked in collaboration with NPOs (TABLE FOR TWO

program*, Eco-cap activity*, etc.). We also made donations to the designated organizations (the Japan Committee for UNICEF, the Japanese Red Cross Society, WWF Japan, etc.) utilizing the matching gift program, and provided relief donations for the areas affected by natural disasters (Noto Peninsula earthquake, etc.). We will continue to promote activities for contributing to society with participation of our employees.

➔ See here for volunteer leave program



©TABLE FOR TWO



In recognition of our support in 2023, we have been certified as a Gold Partner by the TABLE FOR TWO, from which we have received a certificate of appreciation.

In Sumitomo Electric, a low-calorie, well-balanced TFT healthy menu is offered daily at the company cafeterias, and 20 yen is donated from the sale of each meal to school lunches in developing countries to encourage employees to participate in contribution to society.

Actively supporting sports activities and events

Our Group contributes the promotion of sports activities and development of local communities through support for sports

competitions, participation of employees as volunteers in competitions, and support for the training of Olympic candidate athletes.

[Web](#) Details of sport support activities

CSR VOICE

Improving athletic ability and contributing to society



Maruyama Yuma

Tokyo Personnel & Recruiting Group, HR Recruiting Department, Human Resources Division

Our track and field team is working to contribute to the promotion of sports activities in Japan and to "Produce athletes who can compete on the world stage". Athletes from all kinds of track and field events belong to Sumitomo Electric's team, without being biased toward any particular event. I aim to compete internationally in decathlon* and receive support. Last year I became the Asian champion for the first time and was able to participate in the World Athletics Championships Budapest 2023.

In addition to supporting track and field, the Company is also focusing on promoting sports activities and contributing to the local community, such as by holding athletic lessons and track and field events in which athletes from the track and field team participate. At the Sumitomo Electric Athletics Festival held every October, we aim to popularize and develop track and field, such as by holding a Japanese record challenge event where you can see the powerful running of top athletes up close, providing a place where top athletes interact with local children through 50 m time trials and athletic lessons. Not only am I aiming to further improve my competitiveness as an athlete, but I am also interacting with the local community and growing together with them.



50 m time trial with children



Athletic lessons

Glossary *TABLE FOR TWO activities: A program by TABLE FOR TWO International, an NPO to solve problems of hunger and malnutrition in developing countries and problems of obesity and lifestyle-related diseases faced by developed countries simultaneously.

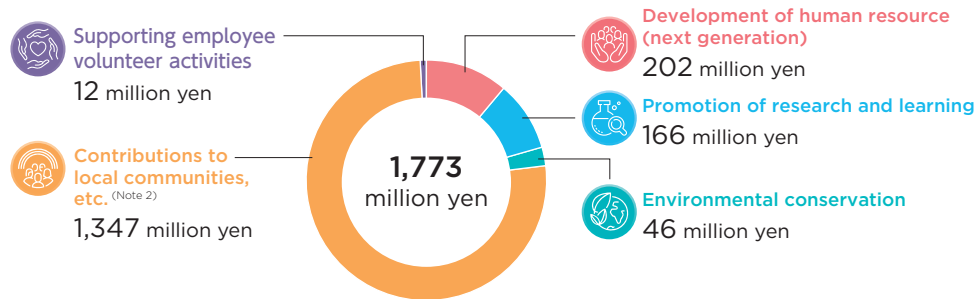
*Eco-cap activity: Activity to collect PET bottle caps and donate the profit on the sale of them for vaccination costs for children in developing countries.

Glossary *Decathlon: A competition in which 10 events related to running, jumping, and throwing events are performed over two days, each record is converted into points, and the total score is competed for.

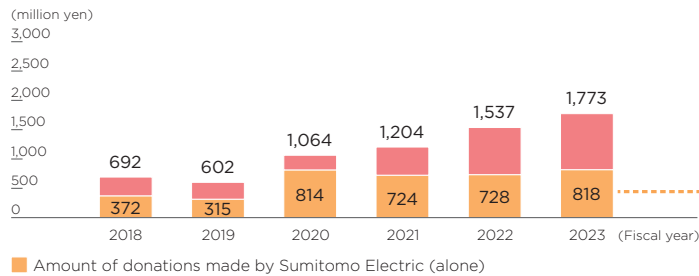
Contribution to CSR activities

In fiscal 2023, our contribution to CSR activities was 1,773 million yen, which is equivalent to 1.05% of profit after-tax (169.0 billion yen). The contribution included 818 million yen of donations made by Sumitomo Electric alone.

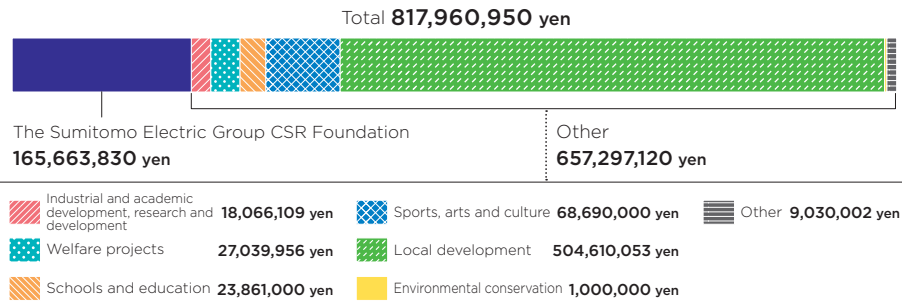
Contribution to CSR activities by category in fiscal 2023 ^(Note 1)



Contribution to CSR activities by year ^(Note 3)



Amount of Donations by Category (Sumitomo Electric alone) ✓



(Note 1) The boundary is Sumitomo Electric and consolidated subsidiaries.

(Note 2) Includes a portion of contributions for activities related to areas other than contributions to local communities, such as environmental conservation and development of human resource (next generation).

(Note 3) From fiscal 2023, we changed the definition of activities for contributing to society and items included in the contribution amounts, and revised the past contribution amounts based on the changed definition.

Activities for contributing to society of the Sumitomo Electric Group

Examples of Activities in FY2023



Development of human resource (next generation)

- Accepting work-experience programs, internships and plant tours
- On-site classes and support for extracurricular activities
- Scholarship and Grant
- Sponsorship of student competitions, etc.
- Cooperation on vocational training, skill tests, etc.



Promotion of research and learning

- Financial support for academic and research activities
- Endowed university courses provided
- Donation of Research Equipment



Environmental conservation

- Cleanup Activity
- Protection of biodiversity (forest conservation, protection of endangered species)
- Environmental awareness activities



Contributions to local communities, etc.

- Cooperation on traffic safety, local disaster prevention, and in areas such as health and social welfare
- Participation in and sponsorship of community events and activities
- Providing relief funds and supplies to areas affected by natural disasters



Supporting employee volunteer activities

- Support using the company program (such as volunteer leave program)
- Donations through the matching gift program



Development of human resource (next generation)

Support for on-site classes and extracurricular activities

We offer on-site classes on a variety of topics, including science experiments, career, and the environment for elementary, junior high and high school students in areas where the Sumitomo Electric Group's business facilities are located. In addition, we held specialized lectures on our technology for university students.

- 1 Sumitomo Electric System Solutions Co., Ltd (Japan)
- 2 Nissin Electric Co., Ltd. (Japan)



1 Lecture on traffic control technology at a university



2 Science class at an elementary school (Pedal power generation experience)

Scholarship and grant

In addition to scholarships provided by the Sumitomo Electric Group CSR Foundation, the Sumitomo Electric Group's business facilities also provide ongoing support to students with excellent grades who are in financial difficulty and attend local schools.

- 3 SEWS-COMPONENTS VIETNAM CO., LTD. (Vietnam)
- 4 Tokai Rubber (Jiaxing) Co., Ltd. (China)



3 Donating school supplies and scholarships to local elementary school students



4 Providing scholarships to students at local universities

Cooperation on vocational training, skill tests, etc.

As support for those working on improving their skills, we provide products of Sumitomo Electric Group (fusion splicers) to vocational training institutions and offer our Group's education and training facilities as an official exam venue.

- 5 Sumitomo Electric Lightwave Corporation (the United States)
- 6 THAI SEMCON CO.,LTD. (Thailand)



5 Optical fiber splicing training using a fusion splicer provided by Sumitomo Electric Group



6 National examination related to electrical equipment work at the education and training facilities



Environmental conservation

Cleanup activity

We regularly carry out cleanup activities such as picking up trash in areas where the Sumitomo Electric Group's business facilities are located. These activities are not limited to the area around the factory, but are carried out in a wide range of areas, including local mountains, forests, rivers, lakes and coastlines.

- 7 SE Wiring Systems Egypt S.A.E (Egypt)
- 8 SEWS-CABIND MAROC S.A.S. (Morocco)



7 Coastal cleanup activity by employee volunteers



8 Holding a coastal cleanup event (Employees' families also participated.)

Protection of biodiversity

In response to the environmental issues of each country and region, we plant trees, maintain forests to preserve local ecosystems, extermination activity for the specified invasive alien species, and protection of endangered species.

- 9 PT. Sumi Indo Kabel Tbk. and 8 other companies (Indonesia)
- 10 Sumitomo Riko Company Limited (Japan)



9 Nine Sumitomo Electric Group's affiliates in Indonesia jointly carried out mangrove planting



10 Extermination activity for the specified invasive alien species "Lanceleaf tickseed"

➔ [Click here for activity details](#)



Contributions to local communities, etc.

Cooperation in areas such as health and social welfare

As part of the support for the health field, Sumitomo Electric Group has continued to cooperate for blood donation activities. This fiscal year, 4,376 people from 43 locations are participating in the activities. We make donations and provide goods (medical equipment, sanitary products, etc.) to medical-related organizations, and we also participate in and sponsor enlightenment events such as pink ribbon activities.

- 13 Sumitomo Electric Hardmetal (Thailand) Ltd. (Thailand)
- 14 Conductores Tecnologicos de Juarez, S.A. de C.V. (Mexico)



13 Employees who are cooperating for blood donation



14 Employees who participated in our sponsored "Breast Cancer Patient Support Charity Marathon" and an announcement poster



In the field of social welfare, as a volunteer activity, we visit facilities and provide food, hygiene products, and school supplies (stationery, toys, sporting goods) to people in need of support (elderly people, children, people with disabilities, etc.) in each country and region. We also collect unnecessary items and donate them to welfare-related organizations.

- 15 S.R.L. SE Bordnetze (Moldova)
- 16 S.E.I. Thai Holding Co., Ltd. (Thailand)



15 Christmas Gifts for Ukrainian Refugee Children



16 Donating desk calendars that are no longer needed to organizations supporting people with disabilities (To be used as material for Braille notebooks)

Cooperation on traffic safety, local disaster prevention

For traffic safety, we gave traffic safety guidance on children's routes to school and in areas with high traffic volume. For local disaster prevention, we provided supplies to local fire brigades (rescue equipment, training mannequins, and drinks), opened up company facilities (grounds) for disaster prevention drills, and participated in fire prevention enlightenment activities. We also actually extinguished the fire as a member of the local fire brigade.

- 11 SEWS-Components Changshu, Ltd. (China)
- 12 SEI Electronics Materials Ltd. (Taiwan)



11 Activities to watch over children going to school (Traffic safety guidance)



12 Donation of oxygen masks to fire department in Hsinchu County

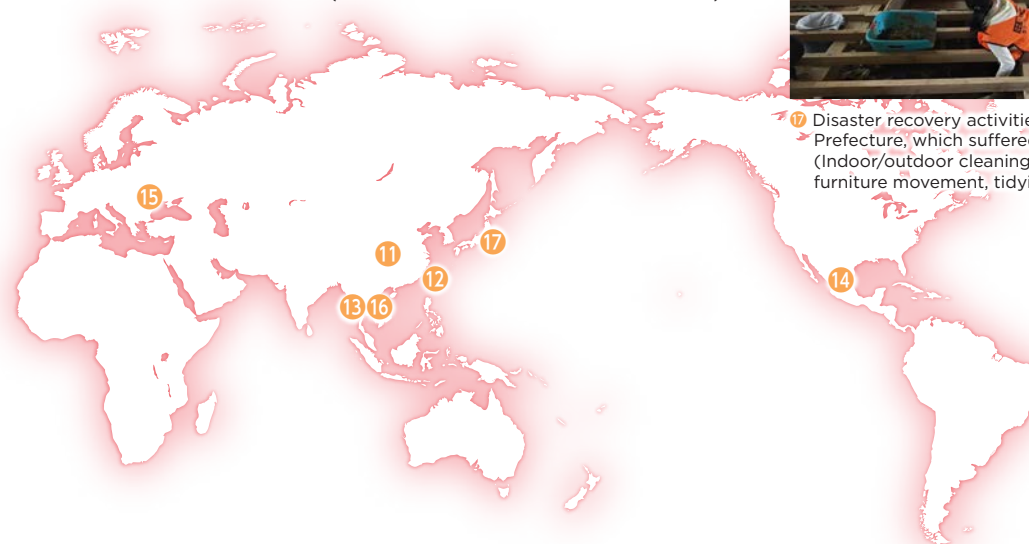
Providing relief funds and supplies to areas affected by natural disasters

In response to the Noto Peninsula Earthquake in Japan that occurred in fiscal 2023, 15 of the Sumitomo Electric Group companies sent relief donations and relief supplies through NPOs and economic organizations. We also made donations, provided supplies, and dispatched disaster relief volunteers to support reconstruction efforts in response to the damage caused by the Morocco earthquake, the Gansu earthquake in China, typhoons, hurricanes, and cyclones.

- 17 Sumitomo Riko Hosetex, Ltd. (Japan)



17 Disaster recovery activities in Ayabe City, Kyoto Prefecture, which suffered typhoon damage (Indoor/outdoor cleaning, mud removal, furniture movement, tidying up, etc.)



Product Quality and Product Safety

Basic Approach and Policy

The Sumitomo Electric Group aims to provide safe, reliable and high-quality products to customers in a stable manner as a fundamental principle based on customer-oriented and quality-oriented policies. To continue to achieve this, our group works to strengthen its underlying manufacturing competence and continuously makes steady efforts to systematize daily duties as a mechanism, implement them soundly and further improve the mechanism.

The Company set up the Monozukuri development committee as a Group-wide organization to enhance the manufacturing

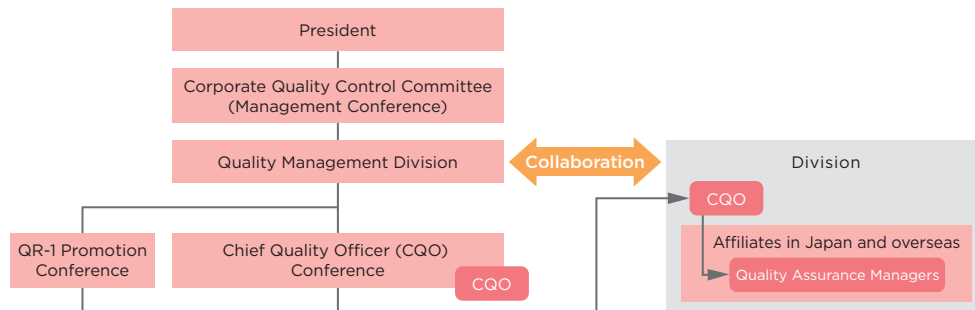
competence and promotes activities under its basic policies including participation of all employees and continuous improvement.

As part of the efforts to systematize quality-related operations, we established the Sumitomo Electric Group Quality Management Global Standards (hereinafter "Quality Management Global Standards"), which are basic rules on quality to be applied to all divisions in the Group. Our divisions continue to strive to develop their quality assurance systems and strengthen quality assurance functions in line with those rules.

Structure

Matters related to quality in the Sumitomo Electric Group are discussed and decided upon by the Corporate Quality Control Committee. The resolutions are discussed at the Chief Quality Officer (CQO*) Conference and the QR-1 Promotion Conference organized by the Quality Management Division and then disseminated to divisions

and affiliates in Japan and overseas through the CQO. In collaboration with the CQO of each division, we will promote the strengthening of quality-related governance, the development of a quality assurance system and the enhancement of quality assurance functions in the Group.



Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
Providing high-quality and safe products <ul style="list-style-type: none"> ● Reduction of the index for the number of complaints: Reduction of 20% from the FY2022 level by fiscal 2025 ● Thorough quality compliance: Correction of 100% of the errors in quality control rules found through the self-assessment 	<ul style="list-style-type: none"> ● Reduced by 8.6% from the FY2022 level ● Correction of 100% of the deficiencies in rules that may lead to intentional quality-related misconduct among the deficiencies found through the self-assessment in fiscal 2023
Providing products that meet their needs <ul style="list-style-type: none"> ● Improvement of customer satisfaction 	<ul style="list-style-type: none"> ● Enhancement of the ability to understand needs and make proposals through continuous training for sales staffs and management staffs

➔ See here or the results in fiscal 2023

Initiatives

Development of QR-1 Campaign

We develop the QR-1 Campaign for the improvement of quality and reliability

As customer demands for quality become more and more stringent, the Group is developing the QR-1 Campaign, a company-wide quality improvement activity, under the slogan "Aim to be the number one company for our customers by reviewing our

overall operations from the customer's perspective and improving our Q (quality) and R (reliability) structure." In this campaign, the QR-1 Promotion Council discusses, sets and works on priority issues for the Group that correspond to the current situation.

3 Activities That Support the Company-wide Quality Improvement Activity

1. Promotion of Own Process Quality Assurance Activities
2. Quality Management Education
3. Global Quality Management System Audits



QR-1 campaign logo
QR: Quality & Reliability

Glossary *CQO: CQO stands for Chief Quality Officer, who is a person representing each division to be responsible for quality assurance (and also serves in the Quality Management Division). In principle, the General Manager of the Quality Assurance Department in the hub of the division assumes the position.

“Own Process Quality Assurance Activities”

Aiming for Zero Complaints

We are expanding our activities to evaluate and improve the Degree of Quality Assurance globally

Own Process Quality Assurance Activities are comprehensive efforts to prevent defects in each process from being produced or passed down to the following process. As part of these initiatives, defect-free process conditions (necessary conditions to produce defect-free products) are established at the design stage and the conditions are maintained through process management at the mass production stage. In case that any defect still occurs, we work to identify the cause and improve the quality in the pursuit of defect-free process conditions. Each division of the Group is committed to Own Process Quality Assurance Activities for its products.

We also promote the introduction of the Degree of Quality Assurance, which is an indicator that visualizes quality risks, as an initiative to eliminate defects in processes. In this system, the probabilities of the prevention of defect occurrence and defect flow-out are respectively determined by type of defect in each process on a four-point scale from 1st (sufficiently prevented) to 4th (not prevented), and combined to determine the Degree of Quality Assurance on a six-point scale from S to E. To prevent complaints from occurring, we should ensure that the Degree of Quality Assurance for the type of the defect is B or higher. This system has enables an objective assessment of quality risks and made risk reduction efforts more effective.

Degree of Quality Assurance	Rank of prevention of defect flow-out				
	1st	2nd	3rd	4th	
Rank of prevention of defect occurrence	1st	S	S	A	A
	2nd	S	A	B	C
	3rd	A	B	C	D
	3rd	A	C	D	E

Enhancement of “Quality Management Education”

Quality Management Education is developed on group-wide and global scales to cultivate the culture of Customer-oriented and Quality-oriented

The Group provides employees with training on quality control at the SEI University to ensure the quality of products and services at higher levels. We have worked to improve various education programs, such as position-based training for all employees, nomination-based training in accordance with specialized jobs and special issues and optional training to learn relevant knowledge, along with practical education including QR-J*, MKP* and GKP*. Overseas, we have conduct Monozukuri Committee activities by area (4 regions: Americas, Europe & Africa, Southeast Asia & Australia, and Greater China) and organized education and exchange meetings on Own Process Quality Assurance Activities in Asia. We will continue to develop the culture of Customer-oriented and Quality-oriented through various education programs.

➔ See here for SEI University

Global Quality Management System Audits

We conducted audits of 151 Japanese bases and 61 overseas bases by fiscal 2023

We systematically conduct Global Quality Management System Audits to evaluate the quality control initiatives of each division in light of the Quality Management Global Standards from the perspective of customers. In these audits, we identify weaknesses of each division in terms of management, design, manufacturing and functions as a hub to provide an opportunity to improve its quality assurance system and support its follow-up activities to reinforce the structure. Since fiscal 2010, progress has been seen in the improvement of the quality structure as the audits are repeated. We will repeat the audits to promote continuous improvement of the quality assurance system.

➔ See here for audit results

Quality Compliance

We aim to become a company trusted by society

Supply of products that surely have the quality required by customers in compliance with laws and rules is an absolute foundation for companies to grow in a sustainable manner. The Group operates internationally and complies with local (country) laws. We also takes the measures mentioned below to ensure quality compliance.

■ Clarification of Rules on the Prevention of Intentional Quality-related Misconduct

The Group has established rules to be followed in order to prevent intentional misconduct related to quality data and improper inspection and incorporated them into the Quality Management Global Standards. In addition, for deficiencies in rules that may lead to intentional quality-related misconduct, we incorporate the assessment

points into the annual “The Business process self-assessment” and training for the prevention of intentional quality-related misconduct to disseminate and promote them thoroughly. In fiscal 2022, we sorted out and consolidated the rules on the prevention of intentional quality-related misconduct, as well as key issues for the inspections and the development of the system, and established and implemented new “Regulations on Preventing Intentional Quality-related Misconduct.” All divisions of our Group will develop and operate systems in accordance with these regulations.

■ Improvement of the Education on the Prevention of Intentional Quality-related Misconduct

In the Group, managers receive compliance training. In addition, since fiscal 2023, we have provided training (e-learning) on the prevention of intentional quality-related misconduct for all employees of the Group in Japan. We also provide “Training on compliance in overseas (intentional quality-related misconduct)” for staffs in the quality assurance department and staffs in charge of inspection in overseas.

■ Strengthening of the Function to Check Intentional Quality-related Misconduct

In the Group, the Quality Management Division strengthens inspection related to intentional quality-related misconduct prevention in “Global Quality Management System Audits” of each division. Our Group also has a mechanism where all divisions conduct “The Business process self-assessment” every year. We have added the prevention of intentional quality-related misconduct to the assessment points of the self-inspection to annually confirm that there is no intentional quality-related misconduct and that each division has rules for the prevention of intentional quality-related

Glossary

*QR-J: “Own Process Quality Assurance practitioner training course” to develop key persons for the Own Process Quality Assurance activities in each division.

*MKP: Abbreviation of “MONOZUKURI-KAKUSHIN professional training Program” that is the practical training program to develop candidates for future plant managers and key personnel for manufacturing.

*GKP: Abbreviation of “GENBA-KAIZEN professional training Program” that is the practical training program to develop key personnel who are to manage and supervise manufacturing fields and promote shop-floor improvement.

misconduct and provides quality compliance training.

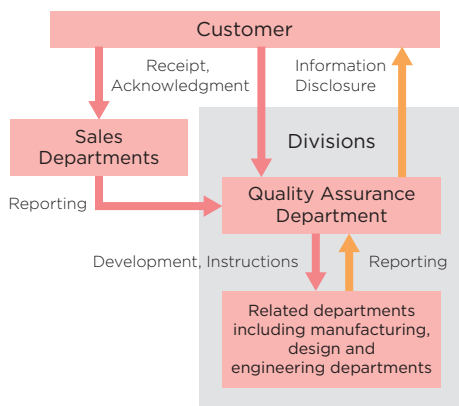
All of the errors in quality management rules identified in the self-inspection in fiscal 2023 have already been corrected.

Product Safety (Product Liability)

We are striving for the improvement of the safety level through practical training and voluntary inspection with focus on the pursuit of product safety at the product development and design stages

Under the corporate principles of “offering the very best goods and services to satisfy customer needs” and “contributing to creating a better society and environment, with a firm awareness of our social responsibility,” the Sumitomo Electric Group is making efforts to enhance the safety of products. We adopt the basic approach that the products to be introduced to the market should undergo thorough examination of safety, especially at the development and design stages.

Quality Information Flow In the Event of Product Accidents



← Quality information (Complaint information)
 ← Investigation results and measures or recurrence prevention measures

■ Training on Product Safety

For product safety, we hold annual technical seminars on the Product Liability Act and the revised Consumer Product Safety Act for all divisions of the Group through cooperation between the Quality Management Division and the Legal Department. The seminars are based on the idea that the safety standards established by companies should also take into account the predictable misuses. The content is designed to deepen the trainees’ understanding of the laws with reference to actual cases, as well as to provide practical lessons on the issues such as the review of product safety at the development and design stages, proper display of warning labels, maintenance of product safety, collection of product safety information and response to accidents. In addition, each division organizes, accumulates, and utilizes information such as past problems and their countermeasures, and also uses the information to educate engineers during in-department training.

■ Voluntary Inspection on Product Safety

As part of the product safety initiatives, we conduct voluntary inspection of the check items applied to the whole Group once every two years in order to identify any product safety risks.

Based on the inspection, necessary measures are discussed and implemented autonomously to strengthen the system to promote product safety measures.

➔ [See here for management of chemical substances in Products](#)

CS Activities by the Sales Unit

The business activities of the Group consist mainly of business-to-business transactions, and we therefore believe that the proper identification of the opinions and demands of

customers (companies) through daily sales activities and the provision of solutions to their problems will lead to greater customer satisfaction and it will eventually increase our purpose as a company.

To promote these activities, staff members in charge of training are appointed in the sales unit to continuously enhance abilities of staffs in charge of sales to understand the problems of customers and propose solutions to them. In cooperation with external consultants, we give training to sales staffs to

learn practical methodologies, as well as training to management staffs to learn methods to manage and instruct their subordinates. In addition, action guidelines for management staff to stimulate organizations have been formulated with the improvement of customer satisfaction as a key factor. We will strive to improve our sales activities so that our customers recognize us as a real business partner.

Results in Fiscal 2023

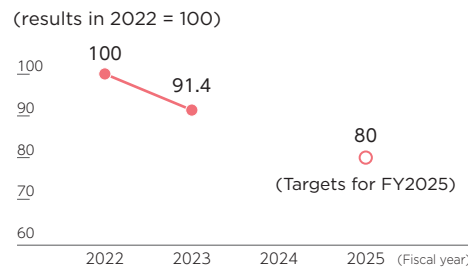
Outcomes of the Quality Management Activities

We will continue to make steady efforts to eliminate complaints

Thanks to our ongoing quality management activities, the number of complaints is on the decrease. With the index for the number of complaints in fiscal 2022 set as 100, the index has been reduced by about 8.6% to 91.4 in fiscal 2023. In fiscal 2024, we will continue to make steady efforts to eliminate complaints

with the three main pillars of Own Process Quality Assurance Activities, Quality Management Education and Global Quality Management System Audits, in addition to Monozukuri Technology Improvement activities.

Number of Complaints by Year



(Note) The data cover Sumitomo Electric and its manufacturing sites in Japan and overseas. (excluding the listed subsidiaries, Nissin Electric Co., Ltd. and their group companies)

Global Quality Management System Audits

	Total (Note)	FY2023 Results	FY2024 Plan
Domestic	151 sites	12 sites	10 sites
Overseas	61 sites	6 sites	5 sites

(Note) Total since fiscal 2010

Supply Chain Management

Basic Approach and Policy

Basic Approach

In accordance with The Sumitomo Spirit, The Sumitomo Electric Group Corporate Principles, the Company's Charter of Corporate Behavior and Basic Procurement Policies, and based on mutual trust and cooperation with our business partners, we are operating sustainable procurement activities that are fair, equitable, focused on compliance and friendly to the global environment and human rights. In addition to optimizing procurement, manufacturing, sales and the entire logistics, we are working to build a resilient supply chain system with a focus on developing BCP to strengthen our response to supply chain risks and ensure rapid response in the event of natural disasters and sudden changes in the global circumstances.

Basic Procurement Policies

The Sumitomo Electric Group considers procurement to be a "service that supports the foundation of its business activities," and

in 2006, established Basic Procurement Policies. We have distributed the Basic Procurement Policies to our main suppliers, along with Group companies, and have sought their understanding and cooperation.

Basic Procurement Policies (extract)

1. Promoting procurement activities that contribute to creative and global corporate activities
2. Promoting fair and impartial procurement activities
3. Promoting compliance-based procurement activities
4. Promoting procurement activities based on mutual trust and cooperation with suppliers
5. Promoting procurement activities friendly to the global environment

 [The entire text of Basic Procurement Policies](#)

Structure

Group Procurement System

Based on the Basic Procurement Policies, the procurement measures and activities of the Sumitomo Electric Group are developed under the initiative of the Group Procurement Collaboration Office, an organization established in the Procurement Division. The office is composed of the staffs in charge of procurement in 22 divisions and Group companies including Sumitomo Riko Company Limited and Nissin Electric Co., Ltd.

Specifically, these divisions and Group companies work together to promote value

analysis (VA*) and provide education to enhance compliance related to procurement and improve procurement skills.

Overseas, we promote coordinated procurement on a regional basis under the initiative of the International Procurement Offices (IPOs) of the Procurement Division located in China, ASEAN and the United States. As part of the efforts, we organize meetings of liaison committees composed of IPOs and procurement staffs of Group companies to develop group-wide initiatives and provide related training to procurement staffs.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for FY2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Promote CSR-based procurement assessments* covering the suppliers that represented 80% of global transaction value ^(Note) equivalent ● Promote compliance initiatives with suppliers based on the Supplier Code of Conduct 	<ul style="list-style-type: none"> ● In CSR-based procurement assessments, we obtained replies from the suppliers that represented 73% of global transaction value ^(Note) equivalent ● Continued an effort to obtain the consent of suppliers

(Note) Excluding SUMITOMO DENSETSU CO., LTD. and its group companies

Targets for fiscal 2024 (single-year targets)

- Continuous implementation of CSR-based procurement assessments of suppliers that represent 90% of the value of domestic procurement ^(Note) and major overseas suppliers

(Note) Domestic procurement by Sumitomo Electric and its domestic affiliates (excluding SUMITOMO DENSETSU CO., LTD., TECHNO ASSOCIE Co., Ltd. and their group companies) is covered.

➔ [See here for the results in fiscal 2023](#)

Initiatives

Initiatives to Ensure Compliance with Laws Related to Procurement

The Sumitomo Electric Group is committed to the following three priority matters in its efforts to ensure compliance with laws related to procurement.

Priority Matters

- Compliance with the Subcontract Act* in regard to appropriate dealings with subcontractors
- Compliance with the Customs Act in regard to appropriate custom reports and payments
- Compliance with internal control rules in regard to procurement in the Sumitomo Electric Group

As to the priority matters, we continued to conduct on-site inspections in Sumitomo Electric and its affiliates in fiscal 2023 to confirm compliance with the rules as mentioned.

In the on-site inspection, the Procurement Division visits the target sites to check compliance with laws related to procurement. For the inspection on the Subcontract Act and internal control, we selected the target sites again in fiscal 2023 on the assumption that we will regularly visit all domestic affiliates, and confirmed their compliance with relevant laws and rules. With respect to the Customs Act, all of the divisions and Group companies importing directly from overseas were inspected to check the correctness of the amounts in custom reports and other items, and we gave guidance on revisions of the Customs Act and other laws.

Glossary *Value Analysis (VA): VA is conducted to replace "Material X" with cheaper "Material Y" that still provides the quality required for the product.

*CSR-based procurement assessments: We ask each supplier to conduct a self-diagnosis to check the level of implementation at each supplier using the Sumitomo Electric's original self-diagnosis questionnaire (CSR-based procurement self-assessment questionnaire). We analyze the self-diagnosis results and ask the supplier to work on improvements if the diagnosis results do not reach the target. When the supplier does not improve the items to be corrected, we request on-site CSR audits and corrective measures.

*Subcontract Act: The Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors.

We will continue to expand and improve the education and inspection activities to promote compliance with laws related to procurement.

➔ [See here for the results of the inspection](#)

Response with Business Continuity Plan (BCP)

The Sumitomo Electric Group is committed to the development and implementation of a business continuity plan (BCP) for procurement divisions, which prepares for large-scale disasters and other emergency situations, to ensure the stable supply of products and services and avoid impact on the production activities of our customers. The BCP assumes a situation that our suppliers have suffered damage from a disaster and the supply of relevant materials is suspended. To minimize the impact of such suspension on our production activities and enable quick recovery, we take measures for stable procurement including examining alternative suppliers and substitutes, switching to commodity items, and securing inventories of materials that are difficult to substitute. In addition, if a disaster occurs, emails are sent to the emergency contact addresses of the suppliers registered in advance in the system to grasp the extent of the damage in a prompt and accurate manner and thereby reduce the impact as far as possible.

Risks related to the stable procurement of raw materials have increased particularly in recent years, including natural disasters, plant accidents, and geopolitical risks such as international conflicts and export restrictions. In order to strengthen our supply chain against those continuing risks, we will work to strengthen risk management with a focus on the raw materials used in our strategic products. We will give a risk rank to each raw material and promote appropriate countermeasures for it according to its respective rank. In particular, we will build a stable procurement system for overseas materials that takes into account concerns about longer transportation lead times.

Education System

We provide training to improve procurement skills and compliance in Japan and overseas.

① Compliance training for Production Group and Corporate Staff Group

In fiscal 2023, we provided training specialized in explanation of the Subcontract Act as well as compliance training for sections in charge of making contracts, training related to importing for sections in charge of purchase requests. The compliance training is organized with the same content every year to further enhance the understanding among the attendants and establish and improve their awareness of compliance. We will continue to organize training in a way that more employees in the Sumitomo Electric Group can receive it to further enhance the awareness of compliance related to the procurement of materials within the Sumitomo Electric Group.

② Procurement training for the Procurement Division in Japan

In the Procurement Division, an OFF-JT* program for working staff is provided for the purposes of development of reliable procurement staff and handing down of procurement ethics, knowledge and expertise. This program is also combined with existing OJT* to create a synergistic effect that will improve procurement skills.

We also have to make the Subcontract Act known widely not only in the divisions in charge of procurement but also in the manufacturing and development divisions. For the establishment of an autonomous system to comply with the act in each division and company, we organize a training program to develop personnel who will play a key role in the system in a planned manner. In fiscal 2024, we will continue to organize seminars, self-inspections, on-site inspections and specialized education activities to further strengthen each division's autonomous compliance system.

③ Procurement training for the Procurement Division in global locations

From fiscal 2017, we are committed to a training program for overseas purchasing managers with an aim to improve our procurement capabilities on group-wide and global scales. In this program, we provide the managers with opportunities to learn procurement-related methods for cost reduction, risk management and other issues, as well as the Sumitomo Spirit and CSR and other procurement policies, to improve their skills and encourage them to share the learning with the procurement staff of their companies. While improving the content of the training, we will expand the scope of the employees who need to attend the program in the fiscal 2024 and thereafter.

➔ [See here for the results of the training and results of education](#)

Contribution to Preservation of the Global Environment

The Sumitomo Electric Group considers green procurement* as part of essential quality standards and continues to strive for it. Since we formulated the Sumitomo Electric Group Green Procurement Guidelines (currently "Sumitomo Electric Group Guidelines for Green Quality Purchases") in fiscal 2003, we have been committed to the elimination of the use of banned substances in its products, the strengthening of control of other chemical substances contained in products and other initiatives. We also introduced the ECO Factoring System* in collaboration with Sumitomo Mitsui Banking Corporation in 2009. In this system, a favorable interest rate is applied to suppliers committed to environmental conservation activities at a certain level or higher in order to encourage suppliers to perform such activities. 57 suppliers applied for the system in fiscal 2023 and 47 of them use it now.

Commitment to CSR Procurement

We work together with our suppliers to promote CSR procurement

To proceed with CSR procurement, we need to not only inform suppliers of "the CSR Procurement Guidelines," "the Policy on Human Rights," and "the Supplier Code of Conduct," but also check progress in the penetration of CSR procurement and promote improvement activities in full cooperation with suppliers.

With this background, the Group included "promoting the CSR procurement survey of suppliers that represent 90% of the value of domestic procurement^(Note)" in the main targets to be achieved by fiscal 2022. In fiscal 2013, our divisions and domestic affiliates (excluding the listed subsidiaries) began to survey suppliers, using the CSR procurement self-assessment sheet (currently "CSR-based procurement self-assessment questionnaire"). In fiscal 2020, we completed the survey of the suppliers that represent 90% of the value of domestic procurement within the Sumitomo Electric Group^(Note) ahead of schedule.

In addition, in order to thoroughly disseminate "the Supplier Code of Conduct" established in fiscal 2021, we substantially revised the questions to be asked in the interviews in consideration of the latest topics based on the contents of the code of conduct and have conducted interviews with the suppliers since the latter half of fiscal 2022. For example, more in-depth questions based on the human rights due diligence efforts carried out by the Human Resources Division have been added to the questions on "Human Rights and Considerations of Occupational Safety and Health" in the CSR-based procurement self-assessment questionnaire. In addition, for "Contribution to Preservation of the Global Environment," we added questions on GHG* reduction targets.

In fiscal 2023, we started to survey the suppliers that represented 90% of the value of our domestic procurement^(Note) by using

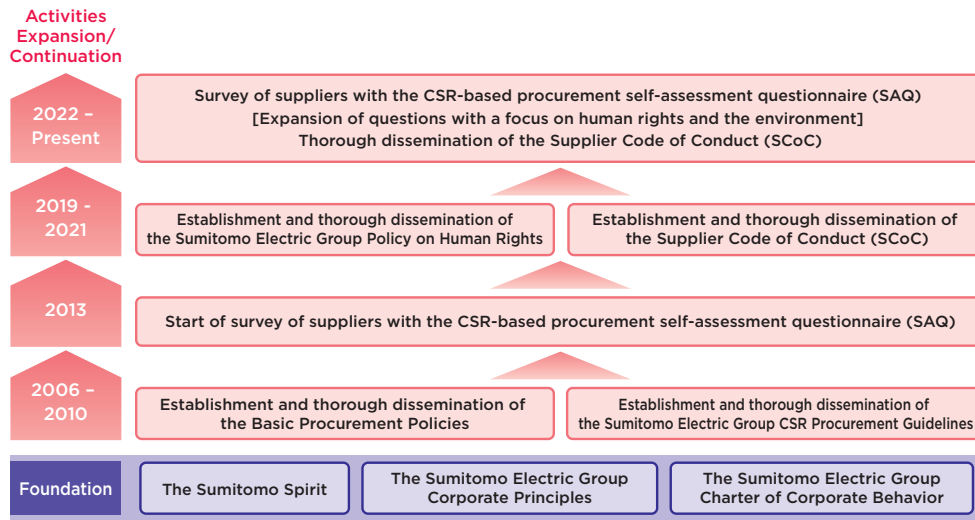
(Note) Domestic procurement by Sumitomo Electric and its domestic affiliates (excluding SUMITOMO DENSETSU CO., LTD., TECHNO ASSOCIE Co., Ltd. and their group companies) is covered.

the CSR-based procurement self-assessment questionnaire with largely revised questions, and we implemented activities, aiming to increase the level of CSR procurement together with suppliers.

In fiscal 2024, we consider incorporating the Supplier Code of Conduct into

requirements at the time of starting a transaction. For CSR-based procurement assessments, we will expand the boundary of the survey to affiliates in Japan and overseas sites for the target in "Mid-term Management Plan 2025" (global coverage rate of 80%).

CSR-based Procurement Assessment Development Status



Sumitomo Electric Group CSR Procurement Guidelines (extract)

The Sumitomo Electric Group aims to contribute to creating a better society and environment, with a firm awareness of our social responsibility. To this end, the suppliers that directly or indirectly provide their products and services for us are also required to work on the activities together with us. Therefore, we have summarized our requests to the suppliers of the Sumitomo Electric Group in these guidelines, and the suppliers are requested to promote compliance with them. Our suppliers are also asked to request their suppliers to comply with the guidelines.

1. Provision of Useful and Safe Products and Services
2. Enhancement of Technological Capabilities
3. Promotion of Sound Business Management
4. Contribution to Preservation of the Global Environment
5. Compliance with Laws and Social Norms and Fair and Proper Business Activities
6. Social Contribution and Elimination of Antisocial Forces
7. Respect to Human Rights and Considerations of Occupational Health and Safety (Including Responsible Procurement of Minerals)
8. Disclosure of Relevant Information and Promotion of Communication with Society
9. Maintenance of Confidentiality and Information Security

[Web](#) The entire text of the Sumitomo Electric Group CSR Procurement Guidelines

Sumitomo Electric Group Supplier Code of Conduct (extract)

Sumitomo Electric Group seeks to do business with suppliers that share our commitment to integrity and to conducting business in compliance with the law. The Supplier Code of Conduct is a statement of the values and the standards of conduct that we expect of each supplier, subcontractor, agent, consultant, or distributor. It is applicable to all suppliers to Sumitomo Electric Group companies worldwide.

Commitment to Compliance with the Law	<ul style="list-style-type: none"> ● We Expect Compliance with Anti-Corruption Laws ● We Expect Compliance with Competition Laws ● We Expect Protection of SEG's Intellectual Property ● We Expect Compliance with International Trade Laws
Commitment to Responsible Sourcing	<ul style="list-style-type: none"> ● Engagement with Supply Chain ● Conflict Minerals ● Responsible and Sustainable Sourcing Practices
Commitment to People	<ul style="list-style-type: none"> ● We Expect Compliance with Employment Laws ● We Oppose the Use of Forced Labor ● We Oppose the Use of Child Labor ● We Oppose any Form of Human Trafficking ● We Oppose Harassment ● We Oppose Discrimination and Encourage Diversity ● We Respect Workers' Rights of Association ● We are Committed to Safe Work Environments ● We Expect that Personal Data will be Protected
Commitment to Society	<ul style="list-style-type: none"> ● We are Committed to Protecting the Environment ● We are Committed to Advancing the Communities Where We Operate
Commitment to Compliance and Business Ethics	<ul style="list-style-type: none"> ● We Expect Suppliers to Provide Employees with a Means to Report Concerns ● We Expect Suppliers to Maintain Accurate Business Information ● We Expect Suppliers to Adopt Appropriate Compliance and Ethics Initiatives
Issues Related to this Code	(SEG Hotline) (Audit/review/request of information) (Contacts)

[Web](#) The entire text of the Supplier Code of Conduct

Commitment to Responsible Procurement of Minerals

We aim to realize the responsible procurement of minerals with the recognition that it is a serious social issue

The Sumitomo Electric Group recognizes that the risks listed in the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance Annex II, such as the violation of human rights and labor issues in conflict-affected and high-risk areas (CAHRAs), as well as the issue of conflict minerals* in Congo and its neighboring countries and cobalt mining with concern about the abuse of child labor in a severe environment, are serious social issues related to the supply chain. To fulfill our social responsibility in procurement activities, we aim to realize responsible procurement of minerals through no procurement or use of conflict minerals involving any of such illegal or dishonest acts as raw materials. To this end, we also stipulate the approach to the initiatives in the CSR Procurement Guidelines and investigate the supply chain on the minerals involving those illegal or dishonest acts. In the event that the use of minerals that may cause human rights issues or other social problems or serve as a fund for armed groups is found, we will take measures to avoid their use.

As a specific initiative, we ask suppliers to cooperate with our investigation mentioned above, which is conducted every year. In case that there is any concern over the use of minerals, the relevant suppliers are requested to take measures to avoid the use as we do in the Group.

Partners' Meetings

The Sumitomo Electric Group organizes Partners' Meetings every year to enhance its relationships with suppliers. We use this opportunity to explain the outline of our business activities and the Basic Procurement Policies and commend the suppliers that have contributed to the business activities of our group through good proposals and support activities in order to establish amicable and cooperative relationships with suppliers. We now use Partners' Meetings as opportunities to promote the achievement of CSR procurement as well. At the meetings, we repeat the explanation of our procurement policies and ask for cooperation and active promotion.



CSR VOICE

We are grateful that we have been given the various opportunities to become aware of CSR requirements



Right in the photo:
Mr. Shuzo Sonoda, President

Left in the photo:
Mr. Yoshitaka Sakamoto, Senior Managing Director
FUKUDA METAL FOIL & POWDER CO., LTD.

Our company is a historical company that was founded in Muromachi, Kyoto in 1700, two years before the invasion of Ako Roshi during the Genroku period, as a wholesaler of gold and silver leaf and powder.

Based on the teaching that "Do a job suited to your abilities" written in the family principles "Ie-no-Nae (Family Seedlings)", we have expanded our business while steadily advancing research and development in the field of non-ferrous metal leaves and powders. Our sales in fiscal 2023 is 48.8 billion yen. Our company has delivered the most suitable products as a metal foil and powder specialist.

We have been trading metal powder for sintered products with the Sumitomo Electric Group since the 1960s. Currently there are also business transactions in the field of electronic printed circuit board business. The Sumitomo Electric Group and our company share a spirit of simplicity and fortitude and diligent nature, and that helps us maintain a good relationship of trust.

Approximately 11 years have passed since the Sumitomo Electric Group started CSR procurement. We have received questions from all directions, including the initiative status on conflict minerals and chemical substances, management-related matters based on BCP and RBA Code of Conduct*, and recently, check items on the use of recycled materials and CO₂ emissions. We view CSR as essential for the survival of companies also in the future, and we will promote various initiatives such as tackling environmental issues, resolving labor shortages, and contributing to the local community.

Results in Fiscal 2023

■ Targets for fiscal 2023 (single-year targets) and Results

Targets for fiscal 2023 (single-year targets)	Results in FY2023
<ul style="list-style-type: none"> Continuous implementation of the CSR-based procurement assessments: Cover suppliers that represent 90% of the value of domestic procurement ^(Note) and major overseas suppliers 	<ul style="list-style-type: none"> The CSR-based procurement assessments were implemented on the suppliers that represented 90% of the value of our domestic procurement ^(Note), and the assessments on a part of major suppliers were completed. We promoted target selection of major overseas suppliers

(Note) Domestic procurement by Sumitomo Electric and its domestic affiliates (excluding SUMITOMO DENSETSU CO., LTD., TECHNO ASSOCIE Co., Ltd. and their group companies) is covered.

Inspection results



Subcontract Act	In Japan	4 affiliates
Internal Control	In Japan	4 affiliates
	Overseas	7 affiliates
Customs Act	28 divisions and group companies of Sumitomo Electric	

Results of training

Production Group and Corporate Staff Group	<ul style="list-style-type: none"> Organized as online training Number of participants: 1,532 persons in the basic course on subcontract 2,087 persons in the course designed for sections in charge of purchase requests 957 persons in the course on importing 717 persons in the course designed for sections in charge of making contracts Themes: Subcontract Act, Customs Act and Internal Control
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Results of education

	Date	Number of courses	Number of lectures	Number of participants (total)	Number of companies
OFF-JT education program	1st half of FY2023	10	39	171	27
	2nd half of FY2023	11	39	173	28
Key personnel development program	2nd half of FY2023	1	3	10	7

Activities for the promotion of CSR procurement by fiscal 2023 and future initiatives

until FY2022

- Sumitomo Electric Group (excluding the listed subsidiaries)
 - For the thorough dissemination of the Supplier Code of Conduct, which was established in fiscal 2021, we obtained replies of the consent of major suppliers in advance. In addition, based on the results, we revised the questions to be asked in the CSR procurement assessment and prepared a self-assessment sheet where the number of questions were increased.
 - Continued implementation of measures for small and medium-sized companies that depend highly on the Group: interviews to ask for improvement (12 companies in fiscal 2022), basic training on CSR (22 companies in fiscal 2022)
 - Continuation of the survey in secondary suppliers

FY2023

- Sumitomo Electric Group (excluding the listed subsidiaries), Sumitomo Riko Company Limited and its group companies
 - We expanded the survey to cover the suppliers that represented 90% of the value of our domestic procurement ^(note), using the CSR-based procurement self-assessment questionnaire revised based on the Supplier Code of Conduct. Assessments on a part of major suppliers were completed.
 - We obtained the consent of major suppliers for the Supplier Code of Conduct.

FY2024 - FY2025

- We consider making it a requirement to obtain consent to the Supplier Code of Conduct at the start of a transaction.
- Regarding the CSR-based procurement assessments, we will expand the boundary of the survey to affiliates in Japan and overseas sites for the target in "Mid-term Management Plan 2025" (global coverage rate of 80%).

(Note) Domestic procurement by Sumitomo Electric and its domestic affiliates (excluding SUMITOMO DENSETSU CO., LTD., TECHNO ASSOCIE Co., Ltd. and their group companies) is covered.

Corporate Governance

Basic Approach

The unchanging basic policy of the Group is to contribute to society through fair business activities based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles.

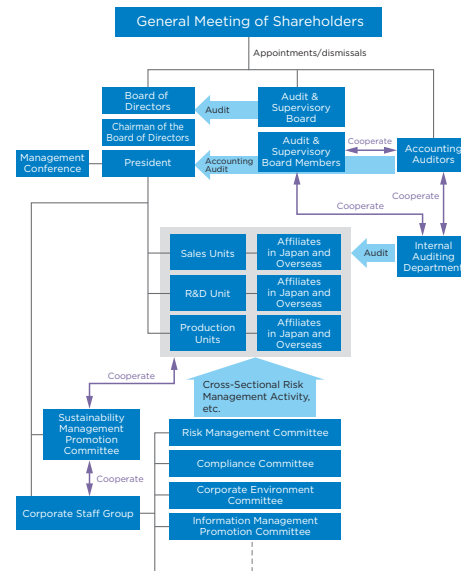
Adhering to this basic philosophy, the Group aims to achieve sustainable growth and enhance corporate value of the Group over the medium to long term as well as to steadily return the results to all of its stakeholders as a going concern based on the concept of "Multistakeholder Capitalism" ("Goho Yoshi" (Five Way Win)), which focusing on contributing to the public benefit and mutual prosperity with all of our stakeholders. The Group will thus work to ensure and enhance the transparency and fairness of management based on proper corporate governance.

Outline of the Structure

Since Audit & Supervisory Board Members and the Audit & Supervisory Board have played a certain role in ensuring the soundness of management, the Company employs the system with the Board of Directors, the business execution system, Audit & Supervisory Board Members, and the Audit & Supervisory Board are committed to fulfilling their respective duties in order to achieve sustainable growth and medium- and long-term increases in the corporate value based on the basic philosophy.

In addition, six Outside Directors are appointed to adopt an external perspective with the aim of further strengthening the supervising functions of the Board of Directors and enhancing the transparency and objectivity of the business management. The Company also selects three Outside Audit & Supervisory Board Members with various specialized knowledge and multifaceted views so that Outside Audit & Supervisory Board Members account for the majority of the Audit & Supervisory Board Members, with the aim of reinforcing the monitoring system for the purpose of ensuring lawful and proper management.

Sumitomo Electric Group's Corporate Governance Structure



Board of Directors and Business Execution System

Functions and Operations of the Board of Directors

In order to ensure the sustainable growth of the Company, to enhance the corporate value over the medium to long term, and to steadily return the results as a going concern to its stakeholders, the Company places importance on the function of the Board of Directors to make decisions on basic management policies and to supervise management. The Company focuses on the development of a system to ensure the effectiveness of these functions and the operation of the Board of Directors, and is working to further enhance the effectiveness of these functions.

Also, in order to further ensure the effectiveness of the supervisory function of the Board of Directors, the Nominating Advisory Committee and the Compensation Advisory Committee, which are composed, in the majority, of Outside Directors and chaired by an independent Outside Director have been established and operate as advisory bodies to the Board of Directors.

Business Operating Structure

The Company adopted a business operating structure based on executive officer system and business unit system, to clarify authority and responsibility and to establish an agile business operating structure that can respond flexibly to changes in the business environment. The Company established appropriate business procedures that clarify responsibilities and delegate authority for business execution to business units. The Company also established internal checks and balances that stipulate the respective organizational accountabilities, including within the corporate staff division.

Results of Analysis and Evaluation of the Effectiveness of the Board of Directors (conducted in 2023)

The Board of Directors of the Company plays a central role in pursuing and implementing the purpose based on the policy stated in "Basic Approach". Therefore, the Company regularly verifies whether the Board of Directors is functioning appropriately. Based on the results, the Company is working to take measures to improve issues and strengthen the strengths. The Company analyzed and evaluated the effectiveness of the Board of Directors in 2023, and the summary of the results is as follows.

Efforts to Focused in 2023 Based on the Previous Year's Evaluation

- Expanded opportunities for deliberation and reporting on important themes at the Board of Directors meetings, including the formulation of the new "Mid-term Management Plan 2025" based on the concept of "Multistakeholder Capitalism" ("Goho Yoshi" (Five-Way-Win)) and measures to strengthen Group governance.
- Enhanced the executive officer system with the aim of further improving the business execution system to realize the long-term vision "Sumitomo Electric Group 2030 VISION".
- Established opportunities for Outside Officers to visit internal meetings and sites (temporarily suspended due to COVID-19, but subsequently resumed), continued to hold meetings attended only by Outside Officers, and continued to hold

dialogues between Outside Directors and Executive Directors.

Analysis and Evaluation Process

After distributing a non-anonymous questionnaire on the following items to all Directors and Audit & Supervisory Board members, including Outside Officers, individual interviews were conducted with five Outside Directors and three Outside Audit & Supervisory Board members based on the results of the questionnaire. In addition, the results of the analysis and the direction of future initiatives were reviewed and confirmed at the Board of Directors' meeting in November 2023. When considering the structure of the questionnaire and the design of the questions, the Company obtained the advice of external experts (lawyers) to ensure objectivity.

[Evaluation Items]

- Role of the Board of Directors (decision-making on important matters, supervisory function over the management, etc.)
- Operation of the Board of Directors meetings (length of deliberations, quantity and quality of discussion materials, discussion environment etc.)
- System of support for Outside Officers (advance provision of information, opportunities for dialogue/exchanges with executive officers, etc.)
- Compensation Advisory Committee and Nominating Advisory Committee (operation, details of deliberations, etc.)
- Composition of the Board of Directors (allocation of responsibilities, number of Directors, diversity, etc.)

Outline of Results

1. Overall Analysis and Evaluation Results

As a result of the review by the Board of Directors based on the results of the questionnaire and interviews, the Board confirmed that continuous improvements have been made in all aspects of its role, operation and composition, and that its effectiveness is ensured. As measures to enhance the effectiveness of the Board of Directors, the Company has worked to enhance the

opportunities for information provision by reviewing the criteria for the agenda of the Board of Directors' meetings and means such as dialogue between Outside Directors/Outside Audit & Supervisory Board Members and inside Directors, and the Company will continue to implement measures to further enhance the effectiveness of the Board of Directors.

2. Analysis/Evaluation Results by Item

1 | Role of the Board of Directors

The Board of Directors confirmed that in the process of making decisions on important matters, such as the establishment of the new mid-term management plan based on the concept of "Multistakeholder Capitalism" ("*Goho Yoshi*" (Five-Way-Win)), the "Mid-Term Management Plan 2025," and measures to strengthen corporate governance, as well as the process of quarterly performance reports, reports on the status of the internal control system, etc., the deliberations and reports were largely appropriate, and the Board of Directors properly fulfilled its "function of deciding on basic management policies and other important matters" and its "function of supervising management," which are considered important by the Company.

2 | Operation of the Board of Directors as well as the Nominating Advisory Committee and the Compensation Advisory Committee for Senior Management, Directors, etc.

With regard to its operation, the Board of Directors confirmed that, as a result of the continuous review of its meeting agenda criteria, operating rules, etc., it was able to conduct appropriate deliberations through a free and open exchange of opinions. In addition, the Board of Directors confirmed the opinion expressed by all Outside Officers that appropriate support has been provided to ensure that the Outside Officers are able to perform their duties.

The Board of Directors also confirmed that the Nominating Advisory Committee and the Compensation Advisory Committee each held five meetings in FY2022, and that their activities, deliberations and reports to the Board of Directors, etc., were properly conducted.

3 | Composition of the Board of Directors

The Board of Directors has confirmed that its composition, including the number of Outside Directors, is appropriate in terms of balance with respect to the Company's business execution system, as it operates a wide range of businesses, knowledge, experience, diversity, etc.

■ Future Measures to Enhance Effectiveness

As a result of the review by the Board of Directors based on the results of the questionnaire and interviews, the Board of Directors confirmed that it will proceed with the following measures in order to further enhance effectiveness:

- Aim to enhance opportunities for review and information sharing regarding the progress of measures to address issues for achieving the long-term vision "Sumitomo Electric Group 2030 VISION" and the main indicators and goals listed in the "Mid-term Management Plan 2025" based on the concept of "Multistakeholder Capitalism" ("*Goho Yoshi*" (Five-Way-Win)) by utilizing the Board of Directors meetings, other internal meetings, etc.
- To further enhance the supervisory function over management, identify business risks more timely and accurately than before, share information on them, and continue to engage in prior review by various committees, business units, etc., and improve the effectiveness of risk management.
- The Board of Directors will further improve its deliberations, mainly when deciding on important matters, by conducting more efficient meetings through further improvement of meeting materials, etc.
- The Group will continue to be attentive to diversity in the composition of the Board of Directors.

Audit and Supervisory System

As to the Audit & Supervisory Board members and the Audit & Supervisory Board, the majority of the Audit & Supervisory Board members are Independent Outside Audit & Supervisory Board members with various specialized knowledge and multifaceted views. These members of the board, along with full-time Audit & Supervisory Board members and dedicated staff to Audit & Supervisory Board members, are in charge of monitoring in cooperation with the Internal

Auditing Department and Accounting Auditors to ensure lawful and proper corporate management.

The Internal Audit Department has been established as the department in charge of internal audits. The Internal Audit Department conducts audits such as on-site inspections of business sites, including those of our Group companies, in accordance with our business audit regulations and audit plans, investigates issues and proposes corrective measures to ensure proper and efficient business operations, confirms the implementation status of corrective measures for the issues pointed out, and reports the results to the full-time Audit & Supervisory Board members.

Accounting audits and internal control audits are conducted by KPMG AZSA LLC.

Policies on Nomination and Compensation of Officers

■ Nomination Policy for Director and Audit & Supervisory Board Member Candidates

Candidates for Internal Directors shall be those who have and practice the Sumitomo Spirit, which is centered on the pillars of "*Banji-nissei*," "*Shinyo-kakujitsu*" and "*Fusu-furi*," those who have abundant experience and an excellent track record in the Group's business, those who have the ability to make objective decisions regarding management based on the Group's current environment and future changes, and those who have excellent character and insight.

Candidates for Outside Directors shall be selected from among persons with experience in corporate management, experts in various fields, and academics, who are appropriate for supervising the Group's management from the perspective of ensuring the Group's sustainable growth and enhancing its corporate value over the medium to long term.

Candidates for Audit & Supervisory Board Members shall be those with experience in corporate management and expertise in legal, financial, and accounting matters.

Proposals for the election of candidates for Directors and Audit & Supervisory Board members and for the dismissal of Directors are submitted to the General Meeting of Shareholders for deliberation by the Nominating Advisory Committee and are decided by resolution of the Board of Directors based on the report of the committee.

■ Policy for Determining Compensation

While adhering to the universal basic policy of contributing to society through fair business activities in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, the compensation system is designed to provide an incentive for the Group to achieve sustainable growth and enhance its corporate value over the medium to long term.

Nominating Advisory Committee and Compensation Advisory Committee

We have established a Nominating Advisory Committee and a Compensation Advisory Committee which are chaired by an Independent Outside Directors and are comprised primarily of Independent Outside Directors. These committees have the aim of ensuring transparency and fairness in the nomination of candidates for Directors and Audit & Supervisory Board members and in the determination of senior management and Directors' remuneration. The Nominating Advisory Committee deliberates on candidates for Directors and Audit & Supervisory Board members in consultation with the Board of Directors based on skills that the Board of Directors should possess to supervise management strategies. The committee also considers proposals for the establishment, amendment, or abolition of company rules and regulations related to nominations, as well as proposals for the inclusion of such matters in relevant public documents. The Compensation Advisory Committee deliberates on proposed policies regarding the determination of compensation and proposed compensation systems and compensation amounts for each individual Director and executive officer. The Committee also considers the establishment, amendment, or abolishment of company regulations and other company rules related thereto, and the inclusion of such information in important public documents. There are established systems in place to report the resolutions of these committees to the Board of Directors. In addition, the executive officer in charge of human resources attends the deliberations of the committee as the secretariat and provides operational support.

Risk Management

Basic Approach and Policy

Basic Approach

The Sumitomo Electric Group identifies, analyzes and assesses business risks, which include the factors that prevent the implementation of its business activities or achievement of management goals and strategies, as well as the factors that potentially have adverse impact, and then seeks to reduce and minimize them at a reasonable cost and with reasonable efforts.

With respect to cross-sectional risks common to all divisions and affiliates in the Group, the relevant corporate staff divisions, as well as company-wide committees organized by officers in charge, identify, analyze and assess the risks according to their duties, and then take measures to mitigate them.

The divisions and sales and R&D groups individually identify, analyze and assess the risks associated with their business operations, and then take measures to reduce them.

Basic Policy of Risk Management

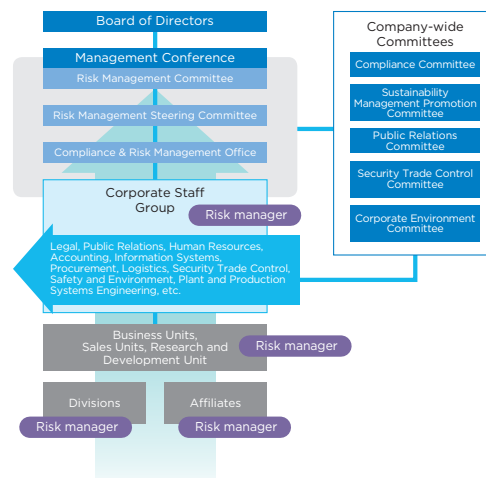
Risk management is performed based on the significance of the risks determined in consideration of the following issues:

- Impact on business performance, maintenance of quality and safety
- Social responsibility to ensure stable supply
- Maintenance of favorable relations with stakeholders such as employees, customers, suppliers, regional communities and shareholders & investors
- Continuous compliance with laws and corporate ethics
- Statements in the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles and the Sumitomo Electric Group Charter of Corporate Behavior

Structure

The Sumitomo Electric Group holds a meeting of the Risk Management Committee, which controls overall risk management activities, in conjunction with a meeting of the management conference. The Risk Management Steering Committee is responsible for actual implementation under the Risk Management Committee, and its tasks include formulation of risk management policies, establishment of task forces at the time of an emergency, collection of information and planning and implementation of risk management education. The Compliance & Risk Management Office serves as the organizer for these committees.

Risk Management System



Initiatives

Risk Management Activities

Risk management activities of the Sumitomo Electric Group are based on taking inventory of risks that is conducted by each division and each affiliate. Today, a wide variety of risks that might seriously affect our global business activities and supply chains are evident, such as the spread of infectious diseases and unstable international affairs. We are working to raise the risk management level of the entire Group by steadily implementing the risk management cycle, such as promoting the formulation and implementation of countermeasures for highly important risks and risks whose measures are inadequate.

■ Creation and Management of a Risk Heat Map

The Sumitomo Electric Group is making efforts to establish a more efficient mechanism for risk management so that it can respond to the expansion of the business fields and changes in the external environment effectively. We compiled a database of the results of risk inventory and information on the identified risks, as well as the results of operational audits and other monitoring activities, and created a risk heat map based on the database to visualize the risks to each of the divisions and affiliates. This map enables each of them to take measures to address the items with higher risk levels preferentially and enhance the efficiency and effectiveness of the risk management activities.

Business Continuity

■ Business continuity in the event of a large-scale natural disaster

Sumitomo Electric promotes business continuity management (BCM) for continuous improvement of Business Continuity Plans (BCPs) in Japan and overseas to ensure that our important businesses can be continued even in the event of a large-scale natural disaster, such as an earthquake, and that we can swiftly resume operations when our operations are interrupted. We review the BCPs periodically, verify the

effectiveness of the emergency response plan and take inventory of supply chain risks every fiscal year.

Moreover, to further enhance the effectiveness of the BCPs, we provide BCP training to risk managers once a year to reinforce our business continuity capabilities.

■ Business continuity in the event of an infectious disease outbreak

The Sumitomo Electric Group formulated the guidelines for action plans to address new influenza in 2008. Each of the divisions and Group companies in Japan has established a BCP for infectious diseases and promoted the establishment of a crisis management system.

Amid the COVID-19 pandemic that began to spread around the world in 2020, we continued operations while giving the highest priority to the health and safety of employees and thoroughly taking measures to prevent the spread of infection. Based on the knowledge learned through the actions taken to address the situation, we enhance further the effectiveness of BCPs for coping with infectious diseases and also promote the development of BCPs in overseas subsidiaries to further reinforce our business continuity capabilities.

■ Continuous Implementation of Group-wide Joint Emergency Drills

The Sumitomo Electric Group enhances disaster awareness of employees by implementing joint emergency drills to conduct the drills in Group companies at the same time twice a year (in the daytime and at night). Our production facilities carry out evacuation drills as well as inspection of places where hazardous materials are used and simulation of the initial response to emergency situations. In the meantime, drills of information transmission and sharing are also implemented by establishing headquarters of countermeasures with the aims of grasping disaster information promptly, reporting it accurately and promptly to executives and sharing the information among the Group.

Information Management System

The Sumitomo Electric Group continuously improves the information management system and revises rules to enhance the mechanism that prevents information leakage in each of its divisions and affiliates. Regarding the use of social media, we have also established a social media policy, which specifies our basic approach to its use, as well as social media guidelines, which provide specific issues to be noted. The policy and guidelines serve to raise the awareness of employees. We will continue to promote information management of the Group by improving the system in domestic and overseas affiliates and enhancing the internal training program designed for disseminating the rules.

Strengthening of Information Security Measures

Eight years have passed since the establishment of the SEI-CSIRT system as the cornerstone of the Group's information security management framework. This period has seen progress in the reinforcement and advancement of the Group's information security management.

First, in order to promote information security management, we have established the Information Security Policy and are disseminating it among Group companies in Japan and overseas. This policy is reviewed every year to comply with international standards such as ISO 27001 and to incorporate trends in cyber attacks and IT technology.

These initiatives are implemented in the three areas of "business systems," "production equipment" and "products," and we have appointed security managers and security administrators in all divisions and Group companies to promote the initiatives. As to business systems, we thoroughly implement

basic measures, such as anti-virus measures and responses to vulnerabilities, and also focus on raising employee awareness through security education and training for addressing email attacks. For production equipment, we separate the business network from the equipment network and implement security measures for production equipment computers thoroughly on a global scale. Regarding products, we strive to improve the security of our products and services in accordance with the Secure Development and Operation Measures Standard established as a company-wide standard.

We also conduct internal audits to periodically check whether these security activities are implemented correctly in each company and division.

Based on the policy of unifying these activities on a global scale, we strive to ensure uniform and consistent security across divisions and affiliates.

Security Trade Control

Sumitomo Electric has set forth internal rules on security trade control to ensure compliance with export control regulations aimed at international security, and established an export control system headed by a representative director.

Our export activities are conducted after proper screening of individual business transactions and obtainment of necessary export licenses such as comprehensive export licenses.

Our Group-related personnel are provided with position-based training, as well as periodical training, which deals with the latest cases, and training at the time of their appointment to the position, so that they are aware of their responsibility for security trade control and obtain necessary knowledge.

We also conduct audits in the Company and its affiliates in Japan and overseas constantly

to monitor export activities, and share information between different divisions within the Company and between affiliates through various committees to reduce the risks in the security trade control activities of the entire group.

Record of Various Training Sessions in FY2023

Target of the training [Main content]	No. of sessions	Persons who need to receive the training	No. of participants
Staff in charge of classification [Tasks on how to classify goods and technologies]	5	187	187
Export control sections <e-learning> [Export control practice]	7	1,836	1,836
General employees <e-learning> [Outline of export control and internal rules]	—	(Participation is voluntary)	2,183
Domestic affiliates [Outline of export control]	4	33	33
Overseas affiliates [Outline of export control and issues to be noted in foreign countries]	12	18	18
U.S. Export Administration Regulations (EAR) training <e-learning> [Overview of the U.S. Export Administration Regulations]	—	(Participation is voluntary)	342

Respect for and Use of Intellectual Property Rights

We consider the technology created through our unique R&D activities as the most important intellectual property (IP) for the sustainable development of our business. While committed to appropriate confidentiality management of proprietary technical know-how and internal data, we strive to acquire and use IP rights such as patent rights and design rights. At the same time, we respect the IP rights and trade secrets of others and strive to handle them with scrupulous attention.

To set up a structure for the commitment, we have developed a rule on the handling of IP and trade secrets and established an organization in the Intellectual Property Department to provide business units and R&D units in the Sumitomo Electric Group with the necessary support, such as management of inventions, investigation of prior arts and IP rights of other companies, promotion of technology standardization activities, and formulation of strategy and response from the perspective of IP-related laws and regulations. Furthermore, at IP strategy meetings, strategic IP committee members of business units and development units plan and implement activities, verify the progress and results and make corrections and revisions. The activities are promoted through concerted efforts among respective divisions, R&D units and the Intellectual Property Department.

To promote and improve the IP activities, we operate an invention reward program, organize IP training sessions that match the experience and level of proficiency of each employee, and publish related in-house newsletters. We also hold an "Intellectual Property Right and Standardization Convention" every year to commend excellent IP activities and share knowledge.

Through these activities, we are working to enhance the value of the Group's IP, create business opportunities, and reduce IP risks.

Compliance

Basic Approach and Policy

Basic Approach

Efforts to Pursue Fair Business Activities Worthy of Society's Trust

The Sumitomo Electric Group believes that compliance, which represents both complying with laws and regulations and acting in accordance with corporate ethics, comprises the backbone of its management and forms the absolute basis for its continued existence and development. In light of the recent trend of various compliance items and under the principles of the Sumitomo Spirit, which values doing your sincere best not only in business but also every aspect of your life (Banji-nissei), placing prime importance on integrity and sound management (Shinyo-kakujitsu) and not pursuing immoral business (Fusu-furi), we will continue to make all efforts to ensure that all corporate activities are conducted fairly and honestly and can be trusted by society.

Code of Conduct

The Compliance Committee established and issued Code of Conduct, which serves as guidelines setting out the standards of conduct expected of each of us and helping us conduct business with integrity, based on the Sumitomo Spirit with the approval of the Board of Directors in April 2018. The Code of Conduct is basic rules on compliance commonly applied to all Group companies across the world. In addition to legal compliance, it specifies the basic policy on fair competition, prevention of bribery, protection of confidential information and intellectual property, respect for human rights, environmental conservation and other issues.

In July 2021, we established the Supplier Code of Conduct, for our suppliers to act in alignment with the Code of Conduct.

 [The entire text of Code of Conduct](#)

Structure

Organization That Supports Compliance and Its Structure

Compliance Committee

The Sumitomo Electric Group has established the Compliance Committee, chaired by the President, as an organization that designs and promotes measures necessary to develop and further strengthen the compliance system and holds its meeting roughly four times a year. The Committee engages in various activities, including the identification and analysis of Group-wide and overall compliance risks and the monitoring of the operation status of programs for the compliance items, such as competition laws and prevention of bribery, and the whistle-blowing system (Speak-Up System), etc., as well as interviews with divisions and

Structure of the Compliance Committee

Chairperson: President
Vice Chairperson: Executive Vice President
Committee members: Senior Managing Executive Officers (2 persons), General Manager of Compliance & Risk Management Office, General Manager of Legal Department, General Manager of Internal Auditing Department
Attendants: Audit & Supervisory Board Member, General Manager of Office of Audit & Supervisory Board Members
Organizer: Compliance & Risk Management Office, Legal Department

Group companies concerning their activities to comply with laws. The activities of the Committee are also reported regularly to the Board of Directors.

Compliance & Risk Management Office

While planning and coordinating overall compliance activities in the Sumitomo Electric Group, the Compliance & Risk Management Office plans and implements relevant activities including the development of a system and organization of training for compliance with competition laws and prevention of bribery. The office also operates the Speak-Up System of the Group. Led by the General Manager, the office is composed of members including employees from Corporate Staff Group such as Legal Department, Human Resources Division and Internal Auditing Department as well as persons in charge of compliance tasks in Business Units and Sales Units. A compliance meeting is held every month to share relevant

information and monitor the progress of compliance activities.

Compliance Steering Committee

At present, the legal bases in the Sumitomo Electric Group are composed of the members in Japan, China, Thailand, Vietnam, the UK, Germany and the US. They hold a periodical meeting of the Compliance Steering Committee (CSC). At the CSC meeting, the members discuss various issues related to compliance from a global perspective and determine the direction of the activities, the work schedule and other matters to disseminate best practices in the world across the Sumitomo Electric Group.

Targets

Targets and progress for the achievement of Mid-term Management Plan 2025

Targets for fiscal 2025	Progress (Results in FY2023)
<ul style="list-style-type: none"> ● Maintain and reinforce the compliance platform <ul style="list-style-type: none"> • Conduct training on code of conduct, compliance with competition law, etc. : 250,000 persons/3 years • Establish and confirm program implementation at Group companies • Promoting the use of consultation and claims hotline 	<ul style="list-style-type: none"> ● Maintain and reinforce the compliance platform <ul style="list-style-type: none"> • Employees trained in code of conduct, compliance with competition laws, etc. : 110,000 persons/year • Others (as described in "Initiatives" below)

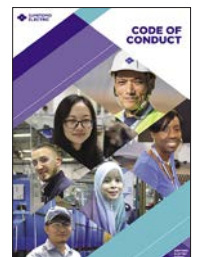
Initiatives

Compliance Activities

Dissemination and Embedding of Code of Conduct

Booklets of the Code of Conduct are prepared in approximately 30 languages, including Japanese, English and Chinese, and distributed to officers and employees in our Group while the multilingual versions are also posted in all of the languages on our website

and intranet. In addition, training on the Code of Conduct is conducted. In addition, for the employee awareness, we prepared the posters in approximately 30 languages, including Japanese, English and



Chinese, and displayed at the offices and plants of our Group companies around the world.

In addition, for the Supplier Code of Conduct, our website carries this in all 28 languages, and we strongly promote this code among our global supply chain partners.

Compliance Training

The Compliance Committee organizes regular position-based training seminars every year for such purposes as the identification of compliance risks, the thorough implementation of preventive measures and the development and enhancement of awareness of compliance. Training topics include the Code of Conduct, competition law, anti-bribery, and personal information protection.

Main training programs

Training program (Language)	Frequency
Position-based compliance training [Officers, Managers, Newly promoted personnel, New employee, Mid-career employees, Employees on loan](Japanese)	Once a year for each program
E-learning compliance training: worldwide (26 languages)	3 courses/year
Global Leader compliance training (English)	Once a year
Compliance liaison training (Japanese)	Once a year

Speak-Up System

In the Sumitomo Electric Group, we have the Speak-Up System, designed to identify any compliance-related issues, such as employment, labor affairs, competition law, bribery and taxation issues, at an early stage and resolve them by ourselves in a prompt and proper manner. Specifically, for consultation and reporting, we set up the contact in the Group (General Manager of the Office of Audit & Supervisory Board Members and General Manager of Compliance & Risk Management Office) and the contacts outside of the Group (by appointing a specialized service provider

and a law firm). All issues reported anonymously or non-anonymously through this system are addressed with immediate

Contacts for Whistle-blowing (Contacts outside of the Group)

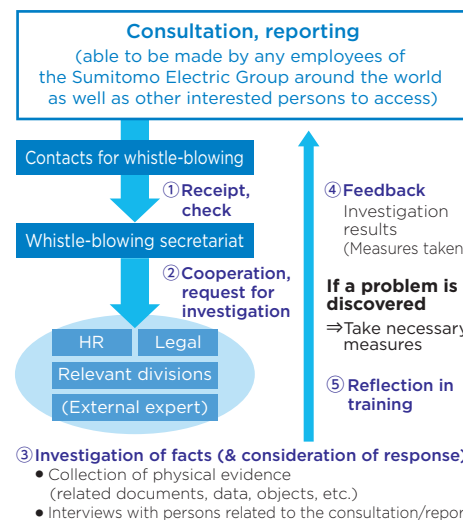
Contact	Covered regions	Languages
Irokawa Legal Professional Corporation	Japan	Japanese
Leezhao Law Office	Mainland China, Taiwan	Chinese, English, Japanese
Navex Global	Worldwide ^(Note)	150 languages or more
TMI Associates Hanoi Office	Vietnam	Vietnamese
Jakarta International Law Office	Indonesia	Indonesian, English

(Note) Japan, Mainland China, Taiwan, Morocco, Saudi Arabia, and Myanmar, reports can be received only via the website.

Number of the whistle-blowing reports received

FY	2018	2019	2020	2021	2022	2023
Number	94	119	120	186	188	243

System and Procedures for Submitting Whistle-blowing Report



investigation. Then we give brief feedback to the reporter and take corrective action and prevent recurrence where necessary. The contacts for consultation and reporting have been established to allow any employees of Group companies around the world as well as other interested persons to access. We disseminate the system at various internal training sessions and through in-house newsletters, Code of Conduct, our website, intranet, workplace posters, notice to business partners and other measures. We established an external contact for consultation and reporting (available in about 30 languages 24 hours a day, 365 days a year) that can be used

commonly by our Group companies in 2014. As a result of our active efforts to disseminate the system, the number of consultations and reports from our Group around the world, such as Japan, China, Southeast Asia, the Americas, Europe, Africa and the Middle East, continues to increase year by year, and the system helps to eliminate inappropriate actions and circumstances. This way, appropriate system operation contributes to maintaining and improving compliance across the entire Group, and the system performs the intended functions fully.

CSR VOICE

Achieving effective compliance programs



Qiuyi (Christine) Chen
Legal Counsel,
Legal Department,
Sumitomo Electric
Management (Shanghai)
Co., Ltd. (SMS)

Corporate Compliance is a relatively new concept in China, but is evolving very quickly and drawing a lot of attention. This brings us challenges in keeping up with the enforcement of new legal regimes, but also great opportunities to raise compliance awareness of our Group subsidiaries.

For SMS legal and compliance team, the “effectiveness” of our work is always the big issue. How to ensure that our Group compliance policy is well communicated, understood, and respected by the employees? Sometimes compliance laws and policies could be abstract and ambiguous in practice. So, we have tried to make our compliance training and daily guidance more practical and accessible.

In addition to training, in recent years, we have put increasing efforts and resources in handling compliance whistleblowing cases. A hotline report made in good faith is often an indication of compliance problem. And we believe careful investigation and reflection over these whistleblowing cases, backed by the support from top management, are cornerstones to the effectiveness of compliance program.

Lastly, as a global company, our business spreads across different jurisdictions, which leads to difference of compliance issues or priorities across regions. But at the same time, we keep in mind that we share the same level of commitment on compliance, under the same Sumitomo Spirit. It is important for us to work closely with legal and compliance team in Japan as well as other regions to come up with solutions with global perspectives.

As part of the compliance team, I hope our work will continue to make an impact and eventually strengthen the compliance culture of our Group.

Priority Matters

■ Compliance with Competition Laws

The Sumitomo Electric Group prioritizes global competition law compliance as the most important compliance activity and has taken measures to prevent cartel, collusion and other acts that violate the competition laws, including suspicious acts, within the Group. These measures include the formulation of the Rules for Compliance with Competition Laws in June 2010, which contain a provision that restricts contact with competitors only in the cases with legitimate business reasons, and compliance training (including e-learning training). In fiscal 2019, we also adopted Global Antitrust and Competition Policy for our Group employees all over the world.

■ Prevention of Bribery

Policy for the Initiatives

The Sumitomo Electric Group shall obtain business through fair competition and all directors and employees shall comply with anti-bribery regulations. We will conduct our business in accordance with the letter and spirit of the laws and regulations applicable in each country in which we do business, and in accordance with the relevant anti-bribery regulations. We prohibit bribery in all transactions, and we also prohibit bribery of all business partners who perform business for the Sumitomo Electric Group.

While the Compliance Committee has been established under the guidance and supervision of the Board of Directors in Sumitomo Electric, the Compliance & Risk Management Office, its organizer, serves as the bribery prevention secretariat and introduces, operates and revises the

Anti-Bribery Rules. The office (bribery prevention secretariat) is supported by the legal departments of our Group that provide legal services in the respective regions.

Whole image of the structure for the prevention of bribery

Organization	Compliance & Risk Management Office, compliance liaison/deputy compliance liaison ^(Note 1) in each company/division
Rules	Anti-Bribery Rules (established in 2013, revised in 2017)
Procedures	<ul style="list-style-type: none"> Ex ante application and ex post report on entertainment, gifts and donations (In 2018, a risk-based approach was introduced to adopt the standard based on money amounts and strictly examine interactions with public servants, etc.). Pre-transaction assessment of a new business partner (After a preliminary investigation ^(Note 2), in principle, a clause prohibiting bribery is included, a written oath is obtained or a written notice is sent and the approval process is taken).
Training, etc.	Training, operation manuals, self-examination, monitoring, auditing

(Note 1) The Compliance Liaison is a person who serves as a contact for consultation and a coordinator for general compliance matters at each company and division of the Group, and also makes decisions on application approval in collaboration with the Compliance & Risk Management Office. Each company appoints a senior manager other than the president in consideration of the possibility of conflicts of interest between management and compliance. If necessary, it is also possible to select deputy compliance liaisons and have them perform proxy or auxiliary work.

(Note 2) In the preliminary investigation of the business partner, the risk databases of external specialist companies are used to examine the presence or absence of past bribery issues of the new business partner and assess bribery risks.

■ Privacy Protection

The Sumitomo Electric Group handles the personal information of individuals, business associates and employees properly while complying with domestic and international rules and regulations regarding personal data protection. In recent years, the EU passed the General Data Protection Regulation (GDPR)

and other countries have tightened their regulations to protect personal data, and we are taking measures on a global scale to comply with these new regulations.

■ Tax policy

Based on the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principle and Code of Conduct, we shall establish Sumitomo Electric Group tax policy.

Sumitomo Electric Group Tax Policy

Based on the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principle and Code of Conduct, Sumitomo Electric Group is committed to conduct its business affairs in a fair and responsible manner: this includes complying with the tax related laws of each country and supranational guidance (e.g. OECD).

Sumitomo Electric Group considers that paying taxes is an important obligation, and we shall contribute to the development of the society through proper tax payment.

In order to improve corporate value, we will strengthen our compliance/risk management system.

Tax Governance/Tax Strategy

Our globally organized tax department is responsible for tax management. It falls under the supervision of our Accounting Director, who is ultimately responsible for the tax strategy.

In addition, through the regular training of our employees, we aim to improve their awareness towards the internal tax compliance.

Sumitomo Electric Group shall apply for tax incentives where it is appropriate and within the scope of normal business activities. No intentional tax avoidance activities are pursued.

Sumitomo Electric Group is committed to conducting its business affairs in a fair and responsible manner, and we shall contribute to the development of the society through proper tax payment.

Risk Management

Sumitomo Electric Group considers that tax risk management is indispensable, and we shall mitigate tax risk by consulting with outside experts and tax authorities in advance as necessary.

Sumitomo Electric Group strictly adheres to the arm's length standard regarding transactions with foreign related parties, and ensures appropriate allocation of profits based on functions and business risks of foreign related parties.

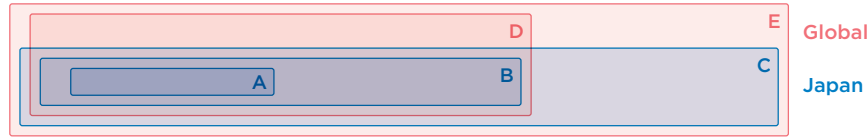
Sumitomo Electric Group shall not expand into low tax rate countries/regions that do not match the actual business situation, in order to reduce or avoid tax. If a company inadvertently becomes subject to Anti-Tax Haven (CFC) Rules, we shall appropriately pay the share of taxes.

Sumitomo Electric Group maintains respectful, trustful and honest relationships with tax authorities.

In addition, we are committed to openness and transparency in its approach to dealing with tax authorities, wherever it operates.

ESG Data

Symbols in the boundary column



Sumitomo Electric Industries, Ltd.

Consolidated subsidiaries
(Excluding the listed subsidiaries as of the end of each fiscal year)

Consolidated subsidiaries

Environment

Indicator	Detailed category	Boundary	Unit	FY2021	FY2022	FY2023	
Reduction of Greenhouse Gas Emissions	(Scope 1)	(Note 1)	thousand tons-CO ₂ e	351	304	288	
	(Scope 2)		thousand tons-CO ₂ e	1,501	1,399	1,393	
	(Scope 1 + Scope 2)		thousand tons-CO ₂ e	1,852	1,703	1,681	
	(Scope 3)		thousand tons-CO ₂ e	26,324	25,775	30,042	
	Category 1		thousand tons-CO ₂ e	13,102	13,062	16,241	
	Category 2		thousand tons-CO ₂ e	641	677	641	
	Category 3		thousand tons-CO ₂ e	337	313	344	
	Category 4		thousand tons-CO ₂ e	75	63	60	
	Category 5		thousand tons-CO ₂ e	41	42	39	
	Category 6		thousand tons-CO ₂ e	41	42	41	
	Category 7		thousand tons-CO ₂ e	95	97	95	
	Category 9		thousand tons-CO ₂ e	5	6	1	
	Category 10	thousand tons-CO ₂ e	106	124	103		
	Category 11	thousand tons-CO ₂ e	11,871	11,337	12,465		
	Category 12	thousand tons-CO ₂ e	12	13	12		
	(Scope 1)	(Note 2)	thousand tons-CO ₂ e	269	225	214	
	(Scope 2)		thousand tons-CO ₂ e	1,233	1,162	1,176	
	(Scope 1 + Scope 2)		thousand tons-CO ₂ e	1,502	1,387	1,390	
	by Energy-related		Energy-related	thousand tons-CO ₂ e	1,397	1,312	1,326
			Non-energy-related	thousand tons-CO ₂ e	105	75	64
by Region	Japan		thousand tons-CO ₂ e	638	568	553	
	Asia		thousand tons-CO ₂ e	706	666	668	
	Americas		thousand tons-CO ₂ e	109	103	118	
	Europe and others		thousand tons-CO ₂ e	49	50	51	
(Scope 3)	(Note 2)		thousand tons-CO ₂ e	23,068	22,169	26,597	
Category 1			thousand tons-CO ₂ e	11,444	11,149	14,446	
Category 2			thousand tons-CO ₂ e	545	585	542	
Category 3		thousand tons-CO ₂ e	269	252	260		
Category 4		thousand tons-CO ₂ e	37	38	37		
Category 5		thousand tons-CO ₂ e	29	30	30		

Indicator	Detailed category	Boundary	Unit	FY2021	FY2022	FY2023	
Reduction of Greenhouse Gas Emissions	(Scope 3)	(Note 2)	thousand tons-CO ₂ e	37	38	38	
			thousand tons-CO ₂ e	83	85	84	
			thousand tons-CO ₂ e	10,622	9,989	11,158	
			thousand tons-CO ₂ e	2	3	2	
	CO ₂ emissions from transportation	(Note 3)	t-CO ₂	98,755	88,201	88,399	
Per-unit CO ₂ emissions from transportation in Japan	(Note 4)	(Note 5)	tons-CO ₂ /million ton-km	101.1	99.4	96.9	
			tons-CO ₂ /100 million yen	2.16	2.06	2.03	
Energy Productivity Improvement	Energy consumption per unit of sales	(Note 2)	million MJ	25,669	24,744	25,053	
			kl/100 million yen	25	20	18	
Water Resource Management	Water withdrawal	(Note 2)	thousand m ³	14,359	14,296	13,974	
			In Japan	thousand m ³	6,383	6,158	5,688
			Overseas	thousand m ³	7,976	8,138	8,286
	Effluent	(Note 2)	thousand m ³	12,207	12,348	12,172	
			In Japan	thousand m ³	5,435	5,465	5,186
			Overseas	thousand m ³	6,772	6,883	6,986
Chemical Substance Management	PRTR-designated substances emissions	B	Release	t	—	99.3	84.0
			Transfer	t	—	143.1	148.2
Waste Reduction and Recycling Promotion	Amount of waste discharged (excluding valuable materials)	(Note 2)	thousand tons	77.1	77.0	76.4	
			In Japan	thousand tons	30.8	30.3	28.5
			Overseas	thousand tons	46.3	46.7	47.9
	Recycling rate	(Note 2)	%	90.9	90.6	91.2	
			In Japan	%	98.9	99.2	99.5
Overseas	%	85.5	85.2	86.2			
Products Contributing to Greener Global Environment	Green Contribution Sales	E	100 million yen	—	—	5,532	
	Sales from Eco products	D (Note 6)	100 million yen	—	—	17,452	
Others	Environmental incident	D	cases	5	2	1	

(Note 1) Sumitomo Electric + consolidated subsidiaries that have manufacturing sites

(Note 2) Sumitomo Electric + consolidated subsidiaries that have manufacturing sites (excluding listed subsidiaries)

(Note 3) Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries and Nissin Electric Co., Ltd. and their group companies)

(Note 4) Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries, Nissin Electric Co., Ltd. and their group companies and Sumitomo Wiring Systems, Ltd.)

(Note 5) Sumitomo Wiring Systems, Ltd.

(Note 6) Excluding Nissin Electric Co., Ltd. and its group companies

Social

Indicator		Detailed category	Boundary	Unit	FY2021	FY2022	FY2023
Human resources							
Employment	Number of global employees		E + employees on loan from other companies	persons	281,075	289,191	293,266
		Male		persons	134,445	136,660	141,010
	Female	persons		146,630	152,531	152,256	
	In Japan			persons	43,623	43,960	44,020
		Male		persons	34,631	34,820	34,728
	Female	persons		8,992	9,140	9,292	
	Overseas			persons	237,452	245,231	249,246
		Americas		persons	42,701	49,633	50,360
		Europe, Africa and others		persons	72,418	74,555	77,599
	Managerial position			persons	122,333	121,043	121,287
		Male		persons	14,702	15,417	15,599
		Female		persons	12,746	13,311	13,367
	Number of employees in Sumitomo Electric (Note 1)			persons	1,956	2,106	2,232
		Male		persons	12,341	12,501	12,621
Female		persons	10,569	10,674	10,731		
		persons	1,772	1,827	1,890		
Diversity & Inclusion	SEG Global Executives (as of April 1 of the following year)		D	persons	42	42	42
	Women's empowerment		C + employees on loan from other companies				
	Percentage of women in managerial position	%		3.9	4.0	4.5	
	Number of women in managerial position	persons		332	376	400	
	Number of those who are senior assistant general managers or in management positions among them	persons		43	49	57	
	Number of those who are section managers (assistant general managers) among them	persons	289	327	343		
	Percentage of women employees hired (all functions)	%	A	20.2	19.6	19.6	
	Number of women employees hired (all functions)	persons		96	110	115	
	Turnover rate (percentage of the employees who were hired as new graduates three years before the relevant year and have left the company within three years)	%	A	9.9	13.3	12.2	
	Employment rate of the physically or mentally disabled (as of June 15 of the following year)	%	A + qualified Group companies	2.39	2.64	2.59	

(Note 1) The number of employees of fiscal 2022 has been corrected because the number announced in the CSR book of previous years was wrong due to errors in the aggregation range.

Indicator		Detailed category	Boundary	Unit	FY2021	FY2022	FY2023		
Safe and sound workplace	Average total working hours (Note 2)		A + employees on loan to other companies	hours	1,954	1,940	1,935		
	Average overtime hours (Note 2)			hours/month	16.3	16.0	16.1		
	Average number of paid holidays taken by employees (Note 2)		(Average among labor union members)	days/year	17.1	18.5	19.2		
	Pay increase rate (to be reflected in the revision for the next fiscal year)			%	2.43	5.81	5.75		
	Number of Users of the Employee Support Programs		A + employees on loan to other companies						
	Employees who took childcare leave (Note 3) (Note 4)			persons	286	377	✓	407	
		Male		persons	189	267	✓	282	
		Female		persons	97	110	✓	125	
	Employees who took leave when their spouses gave birth (Note 3)			persons	146	179	✓	179	
		Employees who used the short-time work system			persons	250	227	✓	270
				Male	persons	29	28	✓	37
	Female	persons		221	199	✓	233		
	Enrollment in the reemployment system			persons	14	9	✓	10	
		Male		persons	2	0	✓	2	
Female		persons		12	9	✓	8		
Enrollment in internal child care centers		persons		53	46	✓	49		
Users of the volunteer leave program		persons		2	6	✓	7		
Users of the work from home arrangements		persons		7,078	7,432	✓	6,578		
Human resources development	Number of participants in the executive training program		D	persons/year	21	34	36		
	Number of participants in MPSS			persons	1,136	839	859		
	Total hours of training programs			hours/headcount-year	—	11.8	12.8		
	Developing core DX talent		A	persons	—	—	134		
	Developing DX data analysts			persons	—	—	535		
	Training sessions organized across the Sumitomo Electric Group	Total number of participants		D	persons	207,725	289,374	321,294	
			Sumitomo Electric		persons	122,274	151,397	161,874	
			Group companies in Japan		persons	58,922	65,813	83,212	
			Overseas Group companies		persons	26,529	72,164	76,208	
	Cumulative basic training hours				hours	553,840	668,354	744,469	
Sumitomo Electric		hours	399,874		480,298	476,245			
Group companies in Japan		hours	103,329		98,482	154,235			
Overseas Group companies		hours	50,637		89,574	113,989			

(Note 2) In FY2021 and FY2022, those from our four Works, Sumitomo (SEI) Electronic Wire, Inc., Osaka and Tokyo Head Offices, Chubu Branch, and Toyota Works were covered.

(Note 3) Covers employees who took childcare leave in any fiscal year regardless of the fiscal year when respective child (children) was born.

(Note 4) Includes employees who took childcare leave twice or more because of the born child.

Social

Indicator		Detailed category	Boundary	Unit	FY2021	FY2022	FY2023
Human resources development	Unique training sessions organized in individual Group companies		D				
	Total number of participants			persons	195,237	559,961	820,372
		Group companies in Japan		persons	92,908	78,288	67,810
		Overseas Group companies		persons	102,329	481,673	752,562
	Cumulative basic training hours			hours	458,231	2,754,321	2,999,186
		Group companies in Japan		hours	190,472	235,379	265,893
Overseas Group companies		hours	267,759	2,518,943	2,733,293		
Occupational safety and health	Occupational accidents		D + subcontractors				
	Serious accidents			persons	0	0	0
	Accidents resulting in lost work time			persons	11	11	14
	Lost time injuries frequency rate for employees		B		0.03	0.10	0.04
Activities Contributing to Society							
	Contribution to CSR activities		E	million yen	1,204	1,537	1,773
	Amount of donations for contributing to society		A	thousand yen	724,341	728,056	817,961
Quality							
Product Quality and Product Safety	Number of complaints (results in FY2022 = 100)		D (Note 1)	%	—	100	91.4
Supply chain							
CSR procurement	Cumulative percentage of implementation on CSR-based procurement assessments		E (Note 2)	%	—	—	73
	Number of companies in Japan surveyed on CSR-based Procurement Assessment Questionnaire		C (Note 3)	companies	294	196	353

(Note 1) Excluding Nissin Electric Co., Ltd. and its group companies

(Note 2) Excluding SUMITOMO DENSETSU CO., LTD. and its group companies

(Note 3) Excluding SUMITOMO DENSETSU CO., LTD., TECHNO ASSOCIE Co., Ltd. and their group companies

Governance

(At the close of the Ordinary General Meeting of Shareholders in the following year for each fiscal year)

Indicator		Detailed category	Boundary	Unit	FY2021	FY2022	FY2023	
Board of Directors	Number of directors		A	persons	15	14	15	
		Inside		persons	10	9	9	
		Male		persons	10	9	9	
		Female		persons	0	0	0	
	Outside (Independent Officers among them)			persons	5(5)	5(5)	6(6)	
				Male	persons	4	4	4
				Female	persons	1	1	2
Audit & Supervisory Board	Number of audit & supervisory board members		A	persons	5	5	5	
		Inside		persons	2	2	2	
		Male		persons	2	2	2	
		Female		persons	0	0	0	
	Outside (Independent Officers among them)			persons	3(3)	3(3)	3(3)	
				Male	persons	2	2	2
				Female	persons	1	1	1

Calculation Criteria

	Data index	Calculation criteria
Environmental Accounting	Investment to reduce greenhouse gas emissions	Calculation has been made only for the efforts certified by the Environment Department as "Greenhouse gas emissions reduction activities." The economic effect includes that of the energy saving activities in which no investment has been made
	Reduction of energy cost	The effect includes that of the energy saving activities in which no investment has been made in addition to that of Investment to reduce greenhouse gas emissions
	Investment in resource saving and recycling	Investment related to the efficient use of resources is not included Only investment for reduction of waste generation and recycling is covered
	Waste disposal cost Sale of valuable materials	The waste disposal cost is calculated based on payment to the waste disposal contractor Metals are not included in the calculation of either the waste disposal cost or the sale of valuable materials
Environmental	Greenhouse gas emissions (Scope 1, 2)	<p>Scope 1: Direct emissions from the use of fossil fuels, etc. in our facilities (including SF6 and other greenhouse gases)</p> <p>Scope 2: Indirect emissions from the use of electricity and steam supplied from outside our facilities</p> <p>Calculated based on the Greenhouse Gas Emissions Accounting and Reporting Manual Ver. 5.0 (2024) by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry</p> <p>Emission factors: The latest available emission factors at the time of the calculation are used</p> <p>Greenhouse gas emission factor for purchased electricity: (In Japan) Adjusted emission factor of each electricity power supplier published in the "Emission Factor by Electric Utility Operator (for Calculating Greenhouse Gas Emissions from Specified Emitters) - FY2022 Results" by the Japanese Ministry of the Environment (Overseas) When emission factors of suppliers are known, the factors are used. If not, emission factors in each country for 2021 mentioned in "Emission Factors 2023" (2023) by IEA are used</p> <p>Greenhouse gas emission factor for other than purchased electricity: (Both in Japan and overseas) Emission factor in "Greenhouse Gas Emissions Accounting and Reporting Manual Ver. 5.0" (2024) by the Japanese Ministry of the Environment and the Ministry of Economy, Trade and Industry. The emission factor of the city gas is based on the "Greenhouse Gas Emissions Accounting and Reporting Manual Ver. 4.9" (2023) prior to revision.</p>
	Greenhouse gas emissions (Scope 3)	<p>Scope 3: Total emissions not only from the reporting organization but also from all sources related to its business activities (excluding Scope 1+2)</p> <p>Category 1: Emissions were calculated based on the costs of procuring raw materials and parts</p> <p>Indirect emissions were calculated based on Corporate Value Chain (Scope 3) Accounting and Reporting Standard</p> <p>Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Ver. 2.5 (2023) by the Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry were referred to</p>
	CO2 emissions from transportation in Japan CO2 emissions from exports	<p>In Japan: Calculated on an improved ton-kilometer basis or conventional ton-kilometer method</p> <p>Exports: Calculated on the conventional ton-kilometer method "The emissions intensity database for calculating greenhouse gas emissions of organizations throughout the supply chain (Ver3.3)" is used to calculate emissions in supply chains</p>

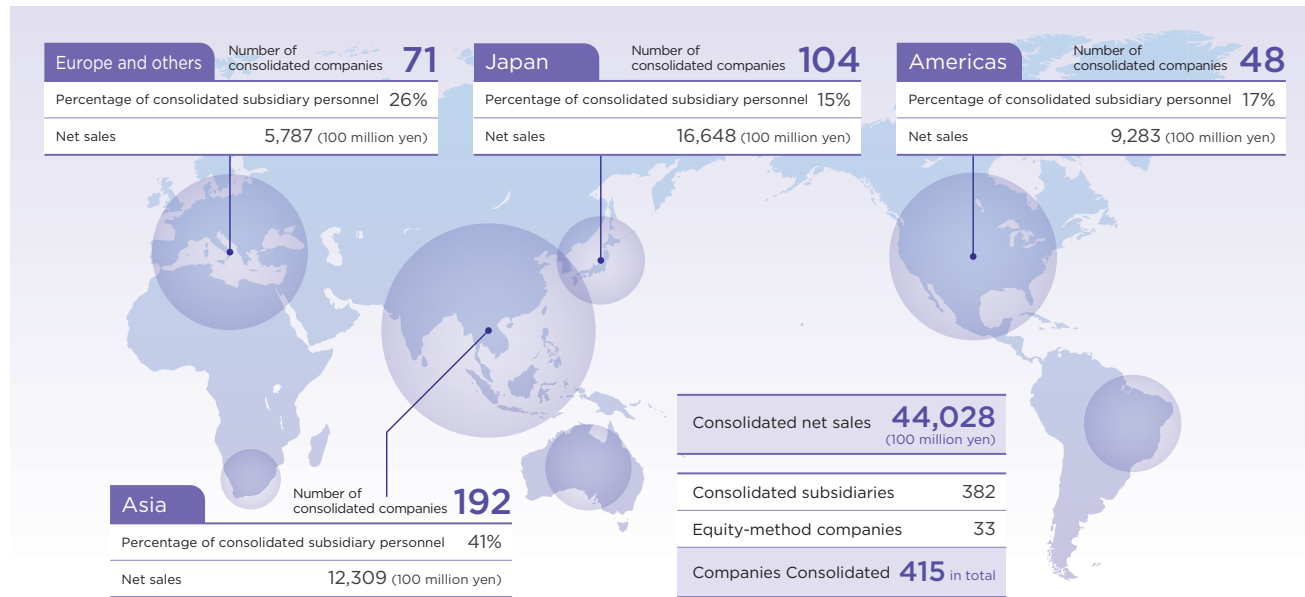
	Data index	Calculation criteria
Environmental	Per-unit CO2 emissions in logistics	<p>Sumitomo Wiring Systems, Ltd.: CO2 emissions / sales amount Sumitomo Electric + consolidated domestic subsidiaries that have manufacturing sites (excluding listed subsidiaries, Nissin Electric Co., Ltd. and their group companies and Sumitomo Wiring Systems, Ltd.): CO2 emissions / transport volume (ton-kilometer)</p> $\text{Total reduction ratio where denominators of emissions per unit are different} = \frac{\begin{aligned} &(\text{Emissions per unit for fiscal 2018 (Sumitomo Electric)} \times \text{Transport volume in fiscal 2023 (ton-kilometer)} \\ &+ \text{Emissions per unit for fiscal 2018 (Sumitomo Wiring Systems)} \times \text{Sales in fiscal 2023 (100 million yen)}) \\ &- (\text{Emissions per unit for fiscal 2023 (Sumitomo Electric)} \times \text{Transport volume in fiscal 2023 (ton-kilometer)} \\ &+ \text{Emissions per unit for fiscal 2023 (Sumitomo Wiring Systems)} \times \text{Sales in fiscal 2023 (100 million yen)}) \end{aligned}}{\begin{aligned} &\text{Emissions per unit for fiscal 2018 (Sumitomo Electric)} \times \text{Transport volume in fiscal 2023 (ton-kilometer)} \\ &+ \text{Emissions per unit for fiscal 2018 (Sumitomo Wiring Systems)} \times \text{Sales in fiscal 2023 (100 million yen)} \end{aligned}}$ $= \frac{\begin{aligned} &\text{Total CO}_2 \text{ emissions in fiscal 2023 calculated based on fiscal 2018 emissions per unit} \\ &- \text{Total CO}_2 \text{ emissions in fiscal 2023} \end{aligned}}{\text{Total CO}_2 \text{ emissions in fiscal 2023 calculated based on fiscal 2018 emissions per unit}}$
	Water withdrawal	Sum of the withdrawal of city water, industrial water, well water (groundwater), river water and lake water
	Effluent	Effluent discharged from plant production processes, and household effluent (Total amount of water discharged into sewerage, rivers, lakes and marshes, and sea)
	Release and Transfer of the PRTR-designated substances emissions	PRTR Release Estimation Methods Manual, version 5.1 (2024) by the Japanese Ministry of the Environment and the Ministry of Economy Trade and Industry
	Amount of waste discharged	Waste landfilled or incinerated without heat recovery + heat recovery + material recycling
	Recycling rate (%)	(heat recovery + material recycling + valuable materials) / Total amount of waste (Waste landfilled or incinerated without heat recovery + heat recovery + material recycling + valuable materials) × 100
	Contribution to CSR activities	<p>(Calculation Methods)</p> <p>Donations and provision in kind contribution: Amount of money</p> <p>Free facility rentals: Usage fee per hour × Rental hours</p> <p>Activities: The number of participants × Labor cost per man-hour × Activity hours</p>
Social	Average overtime hours	Monthly per-capita average of the gaps (including negative) between prescribed monthly working hours and actual working hours of labor union members (Sumitomo Electric alone + employees on loan to affiliates)
	Average total working hours	Per-capita average of the total working hours in each year from January to December of labor union members (Sumitomo Electric alone + employees on loan to affiliates)
	Turnover rate	Ratio of the number of the employees who were hired as new graduates three years before the relevant year and have left the company within three years to the total number of the new graduates hired three years before
	Lost time injuries frequency rate	Number of the persons suffering from accidents resulting in lost work / total working hours × 1,000,000
	Reemployment system	Total number of the persons who are registered in the reemployment system and have not reached the deadline for reemployment at the end of each fiscal year

Company Overview

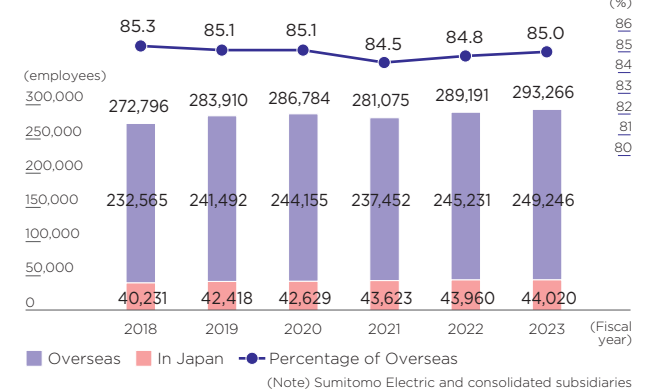
The Sumitomo Electric Group is developing business activities on a global scale, with 415 consolidated companies (as of the end of March 2024) and over 290,000 employees around the world. While providing superior products and services, we respect the cultures and customs of the countries and regions in which we operate. As a corporate entity we conduct business in harmony with society, so as to contribute to the sustainable development of the economy and society.

Company Name	Sumitomo Electric Industries, Ltd.
Established	April 1897
Incorporated	December 1920
President	Osamu Inoue
Capital Stock	99,737 million yen (as of March 31, 2024)
Head Office	4-5-33, Kitahama, Chuo-ku, Osaka, JAPAN

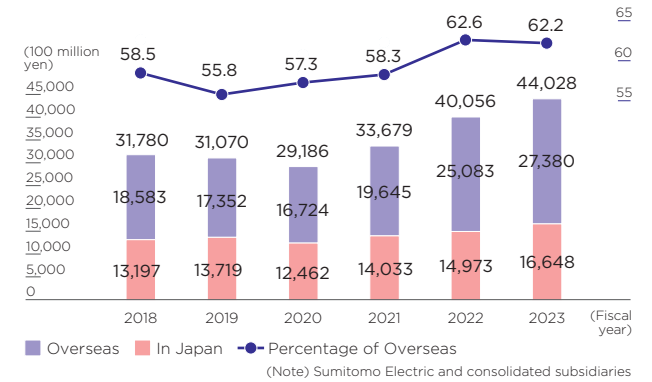
Number of Consolidated Companies / Percentage of Consolidated Subsidiary Personnel by Area



Number of Employees in Japan and Overseas and Percentage of Overseas Employees by Year



Sales in Japan and Overseas and Percentage of Overseas Sales by Year



Number of Group Employees in the World by Year

	2014	2015	2016	2017	2018	2019	2020	2021			2022			2023 <input checked="" type="checkbox"/>		
								Male	Female	Total	Male	Female	Total	Male	Female	Total
Americas	34,828	33,500	37,959	38,923	40,531	43,253	45,299	20,002	22,699	42,701	22,955	26,678	49,633	24,303	26,057	50,360
Europe, Africa and others	56,477	56,273	56,797	60,537	65,747	75,415	74,278	28,259	44,159	72,418	27,700	46,855	74,555	29,300	48,299	77,599
Asia	110,601	112,555	114,338	116,036	126,287	122,824	124,578	51,553	70,780	122,333	51,185	69,858	121,043	52,679	68,608	121,287
Japan	38,892	38,537	39,236	39,637	40,231	42,418	42,629	34,631	8,992	43,623	34,820	9,140	43,960	34,728	9,292	44,020
Total	240,798	240,865	248,330	255,133	272,796	283,910	286,784	134,445	146,630	281,075	136,660	152,531	289,191	141,010	152,256	293,266
Percentage of overseas employees	83.8%	84.0%	84.2%	84.5%	85.3%	85.1%	85.1%	84.5%			84.8%			85%		

(Note) The table above covers Sumitomo Electric and its consolidated subsidiaries. Those on loan from the Group to outside are excluded, but those on loan from outside to the Group are included.

Independent Third Party Assurance Report



Independent Assurance Report

To the President & COO of Sumitomo Electric Industries, Ltd.

We were engaged by Sumitomo Electric Industries, Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with “☑” (the “Indicators”) for the period from April 1, 2023 to March 31, 2024 with the exception of the “Employment Rate of the Physically or Mentally Disabled”, which is as of June 15, 2024, included in its CSR Book 2024 (the “CSR Book”) for the fiscal year ended March 31, 2024.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company's reporting criteria”), as described in the CSR Book.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the CSR Book, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the CSR Book and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting one of the Company's factories in Japan, one subsidiary company in Japan, and one overseas subsidiary company selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the CSR Book are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the CSR Book.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Shinnosuke Kayumi
Shinnosuke Kayumi, Partner
KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
December 17, 2024

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.



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