

January 21, 2009



Participation in the United Nations Global Compact:
A Heightened Commitment to Corporate Social Responsibility (CSR)

In an effort to promote even greater engagement in socially responsible corporate management, on December 23, 2008, Sumitomo Forestry Co., Ltd. (Sumitomo Forestry; president: Ryu Yano; head office: 8-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo) was officially accepted for participation in the United Nations Global Compact. By upholding and aggressively implementing the Ten Principles regarding human rights, labor standards, the environment, and anti-corruption articulated in the Compact, the Sumitomo Forestry Group hopes to further its long-term management plan, Project Speed, and enhance its corporate character.

■ **The Goal of Participation in the UN Global Compact**

Amid increasingly strong demands for corporate social responsibility, businesses operating globally as well as domestically have been faced in recent years with the necessity of conducting their operations with due concern for human rights, labor standards, environmental protection, and prevention of corruption. In our long-term management plan, Project Speed, Sumitomo Forestry has placed a priority on our overseas operations, which are indeed being conducted on a global scale. The fundamental policy of the Sumitomo Forestry Group stresses the importance of making our business serve the interests of the societies and people of the regions in which we operate. To this we now add the benchmark for enhancing the sustainability of our operations offered by the perspective articulated in the Global Compact, and by working actively to integrate its Ten Principles into our operations, aim at strengthening the Sumitomo Forestry Group's commitment to corporate social responsibility and enhancing the character of the Group as a whole.

■ **The United Nations Global Compact**

The UN Global Compact, a set of voluntary guidelines for corporate conduct, was first proposed by then Secretary-General Kofi Annan at the World Economic Forum held in January 1999 in Davos, Switzerland, and was officially promulgated by the UN Headquarters in New York City on July 26, 2000. Participating companies are asked to

voluntarily uphold and implement ten principles regarding human rights, labor standards, the environment, and anti-corruption measures.

Sumitomo Forestry is thus committed to actively reflecting and advocating for the principles of the Global Compact in our management practices, and also to submitting annual reports (Communications on Progress) detailing our efforts in this regard.

[UN Global Compact Website: <http://www.unglobalcompact.org/>]

The Ten Principles of the UN Global Compact

[Human Rights]

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

[Labor Standards]

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

[Environment]

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

[Anti-corruption]

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