



### Takeshi Hara

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Profile: Graduated from Waseda University School of Law and joined Mainichi Newspapers in 1962. After serving as the head of the Sciences Division and as an editorial writer, in 1998 he became a professor at the Waseda University Graduate School. Served as a guest editorial writer for Mainichi Newspapers and visiting professor at the Tokyo University of Agriculture. Areas of his expertise include the environment and sociology, and agricultural economics. In 1993, he was awarded the United Nations Environment Programme (UNEP) Global 500 award for environmental journalism.

Beginning from this year, the Contributions to Society Report has been added to the Environmental Report, and the two have been combined and edited to create the Annual Report Society and Environment Volume. While the Environmental Report was focused primarily on providing information about the measures taken to achieve regulatory targets set by laws and ordinances, and the degree to which these targets were achieved, the Contributions to Society Report describes specific CSR activities to report how the company is engaged with civil society. It can be described as an expression of the company's contributions to society and culture.

Combining the Environmental Report and Contributions to Society Report, two reports with very different natures, is something that would seem likely to cause confusion in the editing. However, the 2010 report shows how the dedication to "Aiming to be a Trusted Company" based on the Sumitomo Spirit permeates the management system which is the basis of CSR and both of the reports, providing an association to the report contents while presenting the information in a strong and simple manner.

Without limiting itself to government regulations, the company has achieved a reduction of CO<sub>2</sub> emissions from energy sources of 15.6% compared with 1990 levels through measure such as the installation of large-scale energy-saving equipment CDQ. This result exceeds the target of the Kyoto Protocol.

I would also like to call attention to the fact that the stainless steel boiler tubes for ultra-supercritical coal-fired power generation, steam generation heat transfer tubes (SG tubes) for pressurized water reactors, and other products which can only be produced through the high technical capabilities of Sumitomo Metals are in total reducing worldwide CO<sub>2</sub> emissions by 220 million tons.

Among their many products, Sumitomo Metals' railway car wheels and axles have a 100% share of the domestic market, and the company's pursuit of ultimate product safety is bringing safety and security to society, and in a broader sense is creating the quality of our living environment.

The results of efforts to reduce environmental burdens at production facilities and through products are provided in the "Medium-term Targets" and "Fiscal Year 2009 Results" lists, giving the reader a comprehensive understanding. I also commend them for disclosing these various types of site data on the company website.

Also worthy of attention is the company's understanding of the costs of environmental measures presented in "Environmental Accounting." The individual figures are provided for investment costs, maintenance costs, and R&D costs, and if the (predicted) cost recovery of the investment costs and R&D costs were shown, we could see how it is possible to balance the economy and the environment in a market economy. This may indicate a certain answer to the demands of our times. Although the issue is difficult, I have high expectations for a future environmental report that contains information such as this.

In the Contributions to Society Report that was newly added, the introduction to the broad range of programs that are conducted in local communities struck me as insufficient. I think the "Together with local communities" item in the Contributions to Society Report should have explained the actual program activities in more detail and reinforced their significance and message.

I hope that Sumitomo Metals will incorporate a company assertiveness into its Contributions to Society Report and take further steps aimed at being a good corporate citizen.