

T Tires,
S Sports,
I Industrial and
other products

Sumitomo Rubber Group Value Chain

We have created a value chain that takes into consideration ESG (environment, social, and governance) at all stages, including product development, procurement, production, supply, sales, and after service.

Through these endeavors, the Group is working to achieve sustainable business growth and develop highly competitive new products.

Product Development

E Environment

- Next-generation product development**
"VEURO VE304," which incorporates the world's first noise-absorbing sponge "SILENT CORE," was named a Grand Prix winner under the DAILY AUTOMOTIVE NEWS Car Parts Awards 2020 program
→ WSDT (VEURO VE304)
● Developing environmentally friendly products → p. 53
● Advancing our SMART TYRE CONCEPT → p. 53
● Developing natural rubber substitute material based on Russian dandelions
→ WSSRI (Russian dandelions)
● "DUNLOP ENASAVE NEXT III," our flagship fuel-efficient tire, was chosen to receive a Nippon Brand Award under the 2020 Super Parts Manufacturer Award program
● "ENASAVE NEXT III" also received an Excellent Award under the 3rd Eco-Pro Award program as well as the Agency for Natural Resources and Energy Director-General's Award under the Energy Conservation Grand Prize program
- World's first noise-absorbing sponge "SILENT CORE"**
→ WSDT (SILENT CORE)
- Employing the K computer**
● Received an Excellent Achievement Award in recognition of large-scale molecular dynamics simulations of rubbers used in tires, a research project utilizing High Performance Computing Infrastructure (HPCI)
- Intellectual capital** → WSSRI (intellectual capital) → p. 41
● Ranked No.1 in rubber product industry in terms of patent assets
Period covered: Apr. 2019–Mar. 2020, Patent Result research
- Higher quality rubber**
● Developed "Reduced Odor Natural Rubber," which provides a significant reduction in the smell of natural rubber
→ WSSRI (Reduced Odor Natural Rubber)
● Natural rubber plantation and natural rubber processing
→ WSSRI (natural rubber processing)
- Establishing a trilateral global management system**
● Strengthening local development system → p. 12

Procurement

- Conducting procurement based on Procurement Guidelines**
● Confirming adherence to CSR Code of Conduct and safety of procured goods
→ WSSRI (CSR procurement)
- Promotion of CSR procurement**
● Business partner education programs including CSR surveys and briefings
- Promoting green purchasing**
● Reinforcing our environmental footprint management system, including reducing hazardous materials in raw materials
→ WSSRI (green purchasing)
- Conducting environmental risk audits at business partners**
● Making the response by business partners visible and providing leadership for improvements
→ WSSRI (green purchasing)
→ WSSRI (fair and reasonable procurement)
- Formulating a sustainable natural rubber policy**
● Formulating a policy to transform natural rubber into a sustainable resource
→ WSSRI (Sustainable Natural Rubber Policy)
● Established a new subsidiary in Singapore to ensure the sustainable procurement of natural rubber of good quality
→ p. 57

Production / Supply

- Reducing the environmental impact of factories** → p. 49
● Reducing waste disposal
● Reducing water usage
● Reducing volume of NOx + SOx + dust
- Green logistics**
→ WSSRI (curbing global warming through logistics)
● Increasing the modal shift rate
- Maintaining complete zero landfill waste** → p. 51
● Maintaining our "Complete Zero" landfill waste policy
● Establishing technology for 100% recycling of wastewater at factories
- Pursuing same quality throughout the world**
● Holding Skill Olympics at 12 factories throughout the world
→ WSSRI (Manozukuri education)
- Improving logistics quality**
● Reducing the burden on drivers (reducing wait time, etc.)
→ WSSRI (reducing the burden on drivers)
- Expanding sales of retread tires and reusing waste tires**
→ WSSRI (recycling waste tires)

Sales / After Service

- Global sales network**
→ p. 12
- Increasing brand value**
→ WSSRI (products)
- Reinforcing our sales expansion efforts in overseas replacement tire markets**
● Expanding sales through UK-based Micheldever Group
● Starting up the European base (Moved the headquarters for the Rubber Parts for Medical Applications Business to Europe in January 2020)
- Obtaining customer opinions and making use of them to improve products and services**
→ WSSRI (providing product and service information)
● Launched the verification testing of solution services that remotely manage tire pressure
→ WSSRI (tire pressure management)
- Expanding sales of fuel-efficient tires**
→ WSDT (fuel-efficient tires (eco tires))
● DUNLOP spring campaigns for safe and secure driving in collaboration with radio stations and traffic safety associations in Aichi, Osaka, Hiroshima, Kagawa and Fukuoka prefectures
→ WSSRI (radio)
- System for compensating customers for flat tires**
→ WSDT (flat tire compensation plans)
- Providing customer experience using the "XXIO" brand**
● XXIO Stations: Enabling golfers to give XXIO clubs a try at 20 golf practice ranges across the nation
● XXIO Day: Holding a variety of campaigns by designating 21st of every month as "XXIO Day"

Social

- Fostering human resources and making work rewarding**
● Global human resource training → p. 56
- Conducting procurement based on Procurement Guidelines**
● Confirming adherence to CSR Code of Conduct and safety of procured goods
→ WSSRI (CSR procurement)
- Creating a safe, employee-friendly workplace**
● Promoting health & productivity management
→ WSSRI (health management)
● The Miyazaki factory achieved a record-high 7.5 million hours without accidents involving lost work days, receiving a "Type 2 Accident-Free Record Certificate" from the Ministry of Health, Labor and Welfare

Achieving a good work-life balance

- The Miyazaki Factory was granted *Hinata no Kiyami* employee-friendly workplace certification ①
- The Shirakawa Factory was certified by Fukushima Prefecture as an excellent business operator striving to support the upbringing of future generations thanks to its efforts to promote a harmonious balance between work and private life
- The Shirakawa Factory was chosen by Fukushima Prefecture to receive the Fukushima Work-Life Balance Grand Award ②
- Promoting use of childcare leave by male employees
- Daycare support system
- Shortened working hours for childcare

Initiatives to prevent the spread of COVID-19 infection

- p. 55
- Launched a risk control headquarters
- Promoted remote working and online marketing activities in response to a government request
- Donated rubber gloves to support healthcare institutions combating the spread of COVID-19
- Expanded our monthly thin nitrile rubber glove production capacity to 2 million pairs
- Donated 3,200 face shields manufactured by the Thailand Factory's sports equipment production staff and otherwise contributed to community efforts to combat the COVID-19 pandemic at home and abroad
- Carried out Nationwide Tire Safety Inspections to support safe and secure driving in a manner that took great care to guard against the risk of COVID-19 infection

Preservation of historical architectural heritage via the use of our vibration control damper technology

- Our vibration control dampers were chosen to be used for the restoration of Kumamoto Castle

Respect for human rights

- WSSRI (respect for human rights)

Promoting diversity

- Promoting women's career success and stepping up human resource development to this end
- Received "L-boshi" (third level) certification as an excellent corporation promoting women's career success based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace
- Continuing to recruit employees with disabilities
→ WSSRI (diversity & inclusion)
- Released "Dun-Slope AiR 2," a portable ramp for wheelchair use that absorbs shocks when crossed by a wheelchair → p. 36

Social contribution activities

- The Izumiotsu Factory concluded a temporary evacuation center agreement with Izumiotsu City to provide its premises as shelters in the event of a disaster ③
- Implementing the Team ENASAVE Future Project in cooperation with the National Federation of UNESCO Associations in Japan (NFUAJ) as well as the Team ENASAVE Green Project ④
- Hosting the Dunlop Manozukuri Class and the Dunlop Environmental Class

Governance

- Enhancing corporate governance**
→ p. 59
- Bribery prohibition policy**
→ WSSRI (preventing wrongful conduct)
- Promoting efforts to improve quality of business partners**
→ WSSRI (compliance)WSSRI (Sustainable Natural Rubber Policy)
- Ensuring thorough compliance**
→ WSSRI (compliance)WSSRI (compliance)

A nighttime BCP drill carried out at the Shirakawa Factory

BCP measures

- WSSRI (risk management) ⑤

Information security

- WSSRI (information security)

Promoting dialogue with stakeholders

- p. 57 ⑥

Protecting whistleblowers

- WSSRI (compliance)

Risk management

- WSSRI (risk management)

A financial results briefing for investors

WSSRI (search keyword) → Sumitomo Rubber Industries website <https://www.srigroup.co.jp/english/>
WSDT (search word) → Dunlop Tires website <https://tyre.dunlop.co.jp/> (Japanese only)
WSDSS (search word) → Dunlop Sports Style website <https://sports.dunlop.co.jp/en/>