

# Sustainability Activities Undertaken by the Sumitomo Rubber Group

## Our Activity Guidelines (GENKI)

- Green initiative
- Ecological process
- Next-generation product development
- Kindness to employees
- Integrity for stakeholders

Since 1988, the Group has had in place the “GENKI Activities” project (meaning activities that give everybody energy), in which employees take part in volunteer activities as a way to contribute to society.

These activities have become extended and firmly entrenched throughout the Company and the Group. In 2008, GENKI, an acronym for our five categories of activities, was adopted as the guidelines’ keyword.

# Fiscal 2020 Targets and Results

We are striving to be a corporate group that is trusted by society by fulfilling our corporate social responsibility to help create a better society.

In line with our Activity Guidelines, which categorize our endeavors into “Green,” “Ecology,” “Next,” “Kindness” and “Integrity,” we are proactively promoting sustainability under the banner of “GENKI Activities.”

Items marked with “○” have been verified by third parties (excluding environmental impact indicators.) Details of “Fiscal 2020 Activities and Fiscal 2021 Targets” are available on our website (scheduled to be released at the end of July 2021).



Relevance to SDGs	Activity Guidelines	Plan: Fiscal 2020 Target	GRI Guidelines	Do: Fiscal 2020 Activity Result	Check: Self-assessment*	Action: Fiscal 2021 Target
<b>Green</b> Green initiative 3 6 11 13 14 15	1 Helping to curb global warming through tree planting	<ul style="list-style-type: none"> <li>Promote the Million Trees for Local Forests Project</li> <li>Creation and maintenance of GENKI Forests in Japan</li> </ul>	304-3	<ul style="list-style-type: none"> <li>Planted trees for the Million Trees for Local Forests Project (including mangrove planting) Fiscal 2020: 19,240 trees planted Cumulative total: 1,764,091 trees planted</li> <li>Conducted tree planting/maintenance activities 18 times</li> </ul>	60%	<ul style="list-style-type: none"> <li>Promote the Million Trees for Local Forests Project</li> <li>Promote the creation and maintenance of GENKI Forests in Japan</li> </ul>
	2 Fostering better relationships with local communities through tree planting	<ul style="list-style-type: none"> <li>Continue our contributions to, and foster better relationships with, local communities through tree planting, forest creation and the provision of seedlings</li> </ul>	413-1	<ul style="list-style-type: none"> <li>Planted acorn trees and provided seedlings: Fiscal 2020: 4,070</li> <li>3,966 acorn seedlings given away to communities</li> </ul>	50%	<ul style="list-style-type: none"> <li>Continue our contributions to, and foster better relationships with, local communities through tree planting, forest creation and the provision of seedlings</li> </ul>
	3 Preserving biodiversity	<ul style="list-style-type: none"> <li>Continue our protection of 21 endangered species, etc.</li> <li>Successful hatching of <i>Sasakia charonda</i> at the Okayama Tire Proving Ground</li> </ul>	304-3	<ul style="list-style-type: none"> <li>Conducted activities to protect 21 endangered species at eight sites in Japan</li> <li>Initiated forest development at the Okayama Tire Proving Ground</li> <li>Observed the first successful hatching of <i>Sasakia charonda</i> at the Okayama Tire Proving Ground</li> </ul>	100%	<ul style="list-style-type: none"> <li>Continue to protect and raise endangered species</li> <li>Continue with forest development at the Okayama Tire Proving Ground</li> <li>Get the raising of the <i>Sasakia charonda</i> at the Okayama Tire Proving Ground on track</li> </ul>
<b>Ecology</b> Ecological process 3 6 7 8 9 11 12 13	4 Creating a low-carbon society	<ul style="list-style-type: none"> <li>Reduce global life-cycle CO<sub>2</sub> emissions per tire by at least 15.0% compared to 2005 levels</li> <li>(Six factories in Japan) ○ Environmental impact indicator of energy usage (crude oil equivalent)*2: ≥ 1.0% reduction from the previous fiscal year</li> </ul>	302-1, 2, 5	12.9% reduction	98%	≥ 16.0% reduction from fiscal 2005
	5 Building a recycling-oriented society	<ul style="list-style-type: none"> <li>(Six factories in Japan) ○ Environmental impact indicator of CO<sub>2</sub> emissions*2: ≥ 1.0% reduction from the previous fiscal year</li> <li>(Six factories in Japan) ○ Environmental impact indicator of waste disposal (excluding valueables)*2: ≥ 0.5% reduction from the previous fiscal year</li> </ul>	302-3	8.3% increase	91%	2.9% reduction from the previous fiscal year
	6 Promoting environmental footprint management	<ul style="list-style-type: none"> <li>(Six factories in Japan) ○ Environmental impact indicator of CO<sub>2</sub> emissions*2: ≥ 1.0% reduction from the previous fiscal year</li> <li>(Six factories in Japan) ○ Environmental impact indicator of waste disposal (excluding valueables)*2: ≥ 0.5% reduction from the previous fiscal year</li> </ul>	305-4	18.9% increase	80%	0.4% reduction from the previous fiscal year
	7 Implementing global environmental management	<ul style="list-style-type: none"> <li>(Six factories in Japan) ○ Environmental impact indicator of water usage*3: ≥ 1.0% reduction from the previous fiscal year</li> <li>(Six factories in Japan) ○ NOx, SOx, and dust: ≥ 80% reduction from fiscal 2005 levels</li> <li>Maintain ISO 14001 Global Multi-Site Certification</li> </ul>	306-2	17.2% increase	82%	8.2% reduction from the previous fiscal year
	8 Developing environmentally friendly products	<ul style="list-style-type: none"> <li>Develop and launch environmentally friendly products</li> </ul>	303-1	11.5% increase	87%	4.8% reduction from the previous fiscal year
	9 Pursuing “safety and comfort,” “economy” and “quality”	<ul style="list-style-type: none"> <li>Commercialize new technologies</li> </ul>	305-7	86.1% reduction	100%	≥ 80% reduction from fiscal 2005
	10 Fostering human resources and making work rewarding	<ul style="list-style-type: none"> <li>Implement multifaceted evaluation and leadership training for all those in managerial or higher positions, including officers; take further steps to cultivate a culture encouraging mutual feedback and create workplaces that enable open-minded exchanges of opinion</li> <li>Implement course on unconscious bias for personnel in managerial and higher positions, including officers, and work to eliminate as far as possible the unconscious bias and prejudice that causes obstacles to diversity</li> </ul>	103-2	Maintained	100%	Maintain Global Multi-Site Certification
<b>Next</b> Next-generation product development 3 7 8 9 11 12 13	11 Creating a safe, employee-friendly workplace	<ul style="list-style-type: none"> <li>In order to improve workplace safety, continue to conduct evaluations based on safety indicators (KPI), formulate a plan for each base and carry out activities to overcome weaknesses in safety activities</li> <li>In addition to reducing days of mental health and physical sick leave, practice initiatives under the Health &amp; Productivity Management Declaration to improve lifestyle habits, based on the concept of “enjoying exercise to build a healthy body”</li> </ul>	302-5	<ul style="list-style-type: none"> <li>Released “VEURO VE304” tires incorporating Performance Sustaining Technology that helps prolong wet grip performance at the maximum level</li> </ul>	100%	<ul style="list-style-type: none"> <li>Develop and launch environmentally friendly products</li> </ul>
	12 Promoting diversity & inclusion	<ul style="list-style-type: none"> <li>Promote use of childcare leave by male employees</li> <li>Promote use of shortened working hours for childcare by employees</li> <li>Encourage the use of a daycare support system</li> <li>Support work styles that leverage the diversity of individuals</li> </ul>	416-1	<ul style="list-style-type: none"> <li>Released “WINTER MAXX 03” tires incorporating Liquid Farnesene Rubber, which helps maintain the elasticity of rubber for a long period of time</li> </ul>	100%	<ul style="list-style-type: none"> <li>Commercialize new technologies</li> </ul>
	13 Respect for human rights	<ul style="list-style-type: none"> <li>Hold training on human rights</li> </ul>	404-2	<ul style="list-style-type: none"> <li>Implemented 360-degree feedback sessions for all those in managerial or higher positions, including the President and other officers, in addition to providing online seminars focused on helping them study in depth the essential qualities of leaders in order to enhance their leadership skills</li> <li>All members of the workforce, from the President to frontline staff, have undergone online seminars on unconscious bias as part of collective efforts to foster a corporate culture that accepts diverse value systems</li> </ul>	100%	<ul style="list-style-type: none"> <li>Expand the scope of individuals undergoing 360-degree feedback sessions to include deputy managers while enhancing the content of leadership seminars via the incorporation of communication skills enhancement programs</li> <li>Periodically host online seminars like those provided in fiscal 2020 while proactively pushing ahead with initiatives to help women and senior employees earn success and to raise employee awareness of the members of LGBTQ+ community</li> </ul>
	14 Promoting social contribution activities	<ul style="list-style-type: none"> <li>Promote joining the CSR Fund</li> <li>Work together with NPOs (continue and expand activities)</li> </ul>	404-2	<ul style="list-style-type: none"> <li>Identified 12 KPIs and continued to implement priority activities in fiscal 2020 under specific targets; although certain progress has been made in terms of improvement in the area of weakness, targets have yet to be fully met</li> <li>Achieved a 10% reduction in days of mental health and physical sick leave from the fiscal 2019 level; hosted a greater number of walking rally events and otherwise encouraged employees to step up their daily exercise habits on the back of the COVID-19 pandemic and the resulting introduction of remote working; selected as a “White 500” organization exercising superior health management for the fifth consecutive year</li> </ul>	80%	<ul style="list-style-type: none"> <li>Continue to pursue KPIs as part of priority activities in fiscal 2021, making ongoing efforts to iron out disparities between bases, departments, and workplaces</li> </ul>
	15 Enhancing corporate governance	<ul style="list-style-type: none"> <li>Further increase the effectiveness of corporate governance</li> <li>Continue to set out and expand the content of BCPs, and to implement training</li> <li>Implement measures to counter updated major risks</li> </ul>	403-2	<ul style="list-style-type: none"> <li>Became the first in the rubber industry to be granted the “L-boshi” (third level) certification in recognition of our efforts to help women earn success</li> <li>Ratio of eligible male employees who took childcare leave: 5.4%; ratio of eligible female employees who took childcare leave: 100%</li> <li>Number of employees who use the daycare support system: 22</li> </ul>	100%	<ul style="list-style-type: none"> <li>Facilitate employee understanding of and encourage the use of various support systems via the distribution of guidebooks describing measures in place to help strike a work-life balance and the announcement from supervisors</li> </ul>
<b>Kindness</b> Kindness to employees 3 4 5 8 10	16 Ensuring thorough compliance	<ul style="list-style-type: none"> <li>Enhance legal audits for overseas group companies</li> <li>In terms of grade-specific compliance training and specialization-specific training, conduct training on such subjects as the Corporate Code of Conduct, competition laws, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Act against Unjustifiable Premiums and Misleading Representations, the Foreign Exchange and Foreign Trade Act and the prevention of bribery, etc.</li> </ul>	405-1	<ul style="list-style-type: none"> <li>Worked to foster a corporate culture that empowers individuals with diverse backgrounds, such as women, foreign nationals, and people with disabilities, through the D&amp;I project</li> </ul>	100%	<ul style="list-style-type: none"> <li>Carry out various measures aligned with attributes of underrepresented employee groups to create a desired corporate culture; in particular, push ahead with initiatives to help women earn success and otherwise assist in their career development efforts via, for example, the introduction of a mentoring system, in addition to offering programs designed to help them balance between childrearing and work</li> </ul>
	17 Promoting dialogue with stakeholders	<ul style="list-style-type: none"> <li>Promote dialogue with a range of stakeholders</li> </ul>	412-2	<ul style="list-style-type: none"> <li>Held training on human rights</li> </ul>	100%	<ul style="list-style-type: none"> <li>Hold training on human rights</li> </ul>
	18 Supply Chain Management	<ul style="list-style-type: none"> <li>Implement CSR questionnaires and CSR briefings</li> </ul>	102-44	<ul style="list-style-type: none"> <li>Rate of joining the CSR Fund: approximately 47%</li> <li>Number of CSR Fund beneficiaries: 54, with a total of ¥13.14 million donated</li> <li>Monozukuri Class for elementary school students: Held four times in four locations, with the number of attendees totaling 231</li> <li>Environmental Class: Held four times in three locations, with the number of attendees totaling 63</li> <li>Revised approval authority rules, implemented measures to enhance the effectiveness of the Board of Directors, continued to distribute questionnaires aimed at evaluating its effectiveness and reduced strategic shareholdings, etc.</li> <li>Upgraded the content of BCPs in light of our response to the COVID-19 pandemic</li> <li>Continued to take measures to mitigate major Group-wide risks</li> </ul>	80%	<ul style="list-style-type: none"> <li>Promote joining the CSR Fund</li> <li>Work together with NPOs (continue and expand activities)</li> </ul>
	19 Promoting social contribution activities	<ul style="list-style-type: none"> <li>Promote joining the CSR Fund</li> <li>Work together with NPOs (continue and expand activities)</li> </ul>	102-18	<ul style="list-style-type: none"> <li>Implemented compliance activities at Group companies, including those operating overseas</li> <li>Hosted various training sessions at Group companies, including those operating overseas, with particular focus on the prevention of bribery, compliance with competition-related laws, the prohibition of wrongful conduct and avoidance of legal risks</li> </ul>	100%	<ul style="list-style-type: none"> <li>Continue to implement measures to enhance the effectiveness of the Board of Directors</li> <li>Continue to set out and expand the content of BCPs and to implement training</li> <li>Reanalyze risks to update the profile of major Group-wide risks</li> </ul>
<b>Integrity</b> Integrity for stakeholders 3 4 5 6 8 9 10 11 12 13 14 15 16	20 Promoting social contribution activities	<ul style="list-style-type: none"> <li>Enhance legal audits for overseas group companies</li> <li>In terms of grade-specific compliance training and specialization-specific training, conduct training on such subjects as the Corporate Code of Conduct, competition laws, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Act against Unjustifiable Premiums and Misleading Representations, the Foreign Exchange and Foreign Trade Act and the prevention of bribery, etc.</li> </ul>	102-16	<ul style="list-style-type: none"> <li>Conducted stakeholder dialogues at each operation base</li> <li>Sent out CSR questionnaires to 245 companies in fiscal 2020 to confirm that our guidelines are understood by them; refrained from holding CSR briefings</li> </ul>	56%	<ul style="list-style-type: none"> <li>Promote the Group’s compliance and risk management</li> <li>Audit: Focus particularly on carrying out legal audits at overseas subsidiaries</li> <li>Training: In terms of grade-specific compliance training and specialization-specific training, conduct training on such subjects as the Corporate Code of Conduct, competition laws, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, the Act against Unjustifiable Premiums and Misleading Representations, the Foreign Exchange and Foreign Trade Act and the prevention of bribery</li> </ul>
	21 Promoting dialogue with stakeholders	<ul style="list-style-type: none"> <li>Promote dialogue with a range of stakeholders</li> </ul>	102-44	<ul style="list-style-type: none"> <li>Conducted stakeholder dialogues at each operation base</li> <li>Sent out CSR questionnaires to 245 companies in fiscal 2020 to confirm that our guidelines are understood by them; refrained from holding CSR briefings</li> </ul>	100%	<ul style="list-style-type: none"> <li>Promote dialogue with a range of stakeholders</li> </ul>

\*1 Self-assessment uses comparison with baseline year (1 – reduction ratio) in the following formula to calculate the achievement rate:

$$\left(1 - \frac{\text{target value}}{\text{actual value/target value}} \times 100\%\right)$$

\*2 The denominator for calculating the environmental impact indicator is the new rubber consumption amount (consumption of natural rubber + synthetic rubber).