

Social: Our Social Initiatives



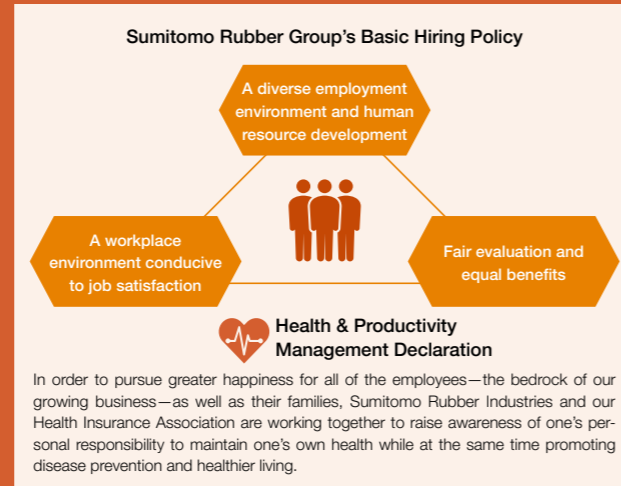
# Kindness

Kindness to employees

## Management Approach

Employees achieve satisfaction by working for the Sumitomo Rubber Group, which grows as a result of its employees' success. To continue building such a sound relationship, we believe that we have a responsibility to provide all employees with a fair and equal chance to grow through a range of benefit packages and training programs.

With the President himself leading the way, the Company is working on Work Style Reform and on activities to maintain or improve the health of employees, which it is putting into practice as a strategic priority.



## Initiatives to Prevent the Spread of COVID-19

In the wake of the COVID-19 outbreak, which impacted regions around the world, we put the utmost priority on ensuring the safety of Group employees and their families. In addition to ensuring this priority, we focused on maintaining operations and, to this end, took every possible measure to minimize the pandemic's effect on our operating results.

In February 2020, we established a risk control headquarters and promoted the above endeavors while facilitating information sharing on a global basis.

In the course of our business operations, we have not only striven to ensure employee safety but also done our utmost to secure customer safety. Along with promoting remote working, we have thus shifted to online and other alternative sales activities to prevent COVID-19 infection. Also, in April 2020 we donated 97,500 pairs of nitrile rubber gloves, one of our products, to the Japanese government to support healthcare institutions. Moreover, in July 2020, in response to a government request we have decided to raise our annual production capacity for nitrile rubber gloves to 2 million pairs and, to this end, expanded our facilities at the Malaysia Factory. In

February 2020	We launched our risk control headquarters, which is spearheading discussion on our response to the pandemic while gathering information on a global basis. From mid-February onward, we cancelled various events set to be held thereafter.
March 2020	We began recommending employees at domestic business sites to work at home to mitigate the risk of COVID-19 infection. For those working at overseas business sites, we issued similar recommendations in response to requests from local governments.
April 2020	Due to the enforcement of a state of emergency declaration in Japan, as general rule, all domestic employees were asked to work at home. We also donated nitrile rubber gloves to the Japanese government to support healthcare institutions. As part of health-oriented management, we launched web-based healthcare sessions in which industrial physicians, health nurses and counselors could engage with employees.
May 2020	Even after the lifting of a state of emergency declaration, we kept our focus on ensuring employee health and maintaining an employee-friendly working environment and, to this end continued to encourage remote working to curb the number of employees commuting to our offices. We have similarly encouraged those operating in overseas business sites to work at home in a manner consistent with region-specific conditions.

May 2021, we brought the expanded facilities on line.

In Japan, we have maintained a policy of encouraging remote working, keeping it up even after the lifting of a state of emergency declaration and thereby curbing the number of employees at work in our offices. Through these and other measures, we are continuously implementing countermeasures against COVID-19 infection in light of country-specific circumstances.

Currently, our mode of operations is changing significantly in step with the aforementioned shift to remote working. Leveraging this shift as an opportunity, we will verify the effectiveness of remote working as part of our pursuit of optimal work styles that enable us to improve productivity in a way that ensures employee health and is employee friendly.

## Promoting Health & Productivity Management

In line with the "Health & Productivity Management Declaration" established in February 2018, the Company has worked in cooperation with the Health Insurance Association to promote health and productivity management measures that are centered on the Health Management Office but that include the participation of all employees. As a result of establishing Health Management Regulations codifying the rules for various health checks and levels of risk and its efforts to steadily cycle through the PDCA system, in March 2020 for the first time the Company was one of 40 companies selected for inclusion in the "2020 Health & Productivity Stock Selection" organized by the Ministry of Economy, Trade and Industry in conjunction with the Tokyo Stock Exchange, which recognizes companies that take a strategic management approach to the health management of their employees. In 2021 the Company has also been certified under the "2021 Certified Health and Productivity Management Organization Recognition Program—White 500" for the fifth consecutive year.

\* We were certified as one of the 40 companies in the "2020 Health & Productivity Stock Selection Program," in which companies that make strategic efforts to consider employee management from a managerial perspective are jointly selected and announced (in principle, one company is selected from each industry) by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



## Work Style-Related Certifications and Awards Granted under Municipal Programs

Two of our factories were chosen by prefectural governments under their programs and named, respectively, as an employee-friendly workplace and an excellent organization in terms of helping employees achieve an optimal work-life balance.

Miyazaki Factory	Hinata no Kiwami employee-friendly workplace certification granted by Miyazaki Prefecture
Shirakawa Factory	Fukushima Work-Life Balance Grand Award granted by Fukushima Prefecture

## Fostering Human Resources and Making Work Rewarding

### Strengthening the Organizational Framework

At the end of 2019, we conducted a Group-wide organizational framework survey by submitting questionnaires to every Group employee. Based on survey results, in 2020 we conducted activities to enhance our organizational framework. Specifically, we implemented the following four policies: "An environment that encourages employees to take on challenges," "An open-minded workplace without boundaries between departments or ranks," "An environment that empowers everyone to exercise leadership," and "Highly productive operations connected to Companywide strategies." While confirming the outcomes of these activities via simple questionnaires on a quarterly basis, we are continuously engaged in efforts to achieve organizational transformation.

### Human Resources Development

In order for the Company to become a truly global player, the human resources who support this effort must also be able to act as truly global players. To this end, human resource development initiatives being undertaken since 2020 to strengthen employee leadership include executive coaching programs for the President and other members of top management and 360-degree feedback sessions for those in managerial or higher positions. Furthermore, to support those who spearhead transformation, we have launched boost programs that take a cross-hierarchy approach and encompass a range of employees from managers to frontline workers, with the aim of establishing a unified understanding of how to process tasks and other operational issues.

### Expanding the Work System That Supports Diverse, Flexible Workstyles

In addition to promoting reductions in the amount of after-hours work performed by employees and greater use of paid leave, we are moving forward with the introduction of diverse workstyles that take into consideration childcare and nursing care in order to add variety to work and support efforts to balance work and family.

The result of these and other efforts has been that 100% of female employees who have given birth have taken childcare leave. In addition, 14 male employees took childcare leave in 2020, an increase of five people year on year.

In fiscal 2009 we became the first company in the tire industry to be certified for the "Kurumin" mark based on the Act on Advancement of Measures to Support Raising Next-Generation Children and have since continued to support childcare. In 2019, the Minister of Health, Labour and Welfare awarded the Company "L-boshi (second level)" certification, which is given only to businesses that have superior arrangements for encouraging the active participation of women. Moreover, we were granted "L-boshi" (third level) certification in November 2020. We have also expanded support for nursing care through efforts ranging from launching an external nursing care consultation desk to periodically hosting nursing care seminars addressing a variety of timely topics.

## Promoting Diversity

### Promoting Work Style Reform and Diversity

We communicate our approach to promoting work style reform and diversity to people within and outside the Group via messages from top management. As part of our pursuit of diversity & inclusion, we will strive to foster a corporate culture in which diverse individuals are empowered to work energetically in an atmosphere of mutual respect. Through digital transformation, we also help employees discover the spare time they need to take on tasks aimed at delivering higher added value. With these two key initiatives, we will pursue happiness for all Group employees while improving our corporate value.

Also, since 2019 we made helping raise employee awareness of unconscious bias, which could constitute a barrier against diversity & inclusion, a priority. In line with this, in 2020 we held mandatory corporate ethics lectures for all managers that encouraged them to reflect on their own unconscious biases, join grade-specific discussion sessions to share their takeaways with peers, and acquire deeper insights into this subject. Furthermore, we have distributed a transcript of a dialogue between President Yamamoto and a lecturer specializing in unconscious bias. By letting employees know that the man at the top is also committed to addressing his own biases, we have drawn their attention to the importance of this issue.

In addition, we have been holding grade-specific seminars on this subject and, for 2021, we will continuously strive to help all employees, regardless of their ranks, properly understand the matter.

### Respecting Diversity

In order to promote Work Style Reform and diversity, in February 2019, we launched a new project within the Human Resources & General Affairs Department and Human Resources Development Department. By nurturing a corporate culture in which people from diverse backgrounds can thrive, we will generate innovations that save time through advances in operational efficiency, linking this to the satisfaction of all employees and enhanced corporate value.

For example, we eased dress restrictions in offices as part of our ongoing initiatives since 2019 to create a workplace culture that encourages free expression and independent thinking as well as the individuality of employees. We also incorporated a location-free workplace platform to vitalize employee communication.

### Support for Female Employees Striving to Play an Active Role in Their Duties

In the course of promoting more active roles for women, the Company has set a target of raising the ratio of women in management positions to 7% by the end of 2025, redefining its conventional diversity target in 2021. In order to achieve the goal of respecting diversity, we are moving forward with efforts to expand the work-life balance systems so that employees who have experienced various life events can play active roles and to raise the percentage of people who take paid leave to promote reforms for a well-balanced work style.

The number of users of the "daycare support system" under which a daycare subsidy is granted to employees who leave a child under two years of age at a daycare facility, has been increasing since its introduction in 2015 as a measure to support an earlier return to work from maternity leave and/or childcare leave. The system is contributing to female employees' career development.

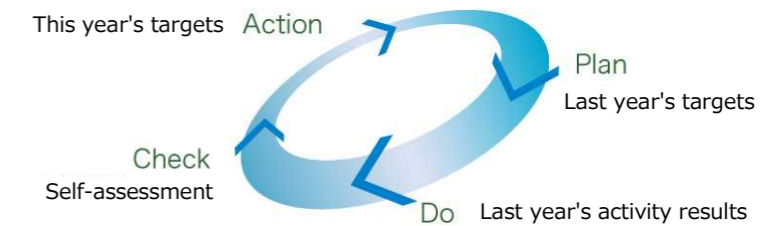
Usage of the "temporary leave to accompany spouse overseas system," whereby employees can take temporary leave to accompany their spouses when they are relocated overseas, is also progressing, and we are seeing a rising number of registrations in our "JOB Return System," which applies in cases where marriage or a change in the spouse's work location makes the resignation of an employee unavoidable.

For fiscal 2021, our plans call for establishing a working group that takes a cross-departmental approach to determining how to promote women's career success and incorporating the insights the group offers to improve various human resource management measures.

## Targets and Results

We verify the results and formulate targets for this fiscal year based on the Group's activity guidelines "GENKI."

Here are some excerpts of the main items.



Plan Fiscal 2020 Target	GRI Guidelines	Do Fiscal 2020 Activity Result	Check Self- Assessment *1	Action Fiscal 2021 Target	Medium-to-long-term (2025) Targets
<b>⑩ Fostering human resources and making work rewarding</b>					
<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> </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> </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> </ul>	<ul style="list-style-type: none"> <li>● Global human resource development training from the second half of 2019 to develop global human resources</li> <li>● Develop a wide range of management knowledge and skills such as in-house understanding, financial accounting, marketing, management, cross-cultural understanding, and problem-solving methods</li> </ul>
<ul style="list-style-type: none"> <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>	404-2	<ul style="list-style-type: none"> <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>● 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>	<ul style="list-style-type: none"> <li>● Global human resource development training from the second half of 2019 to develop global human resources</li> <li>● Develop a wide range of management knowledge and skills such as in-house understanding, financial accounting, marketing, management, cross-cultural understanding, and problem-solving methods</li> </ul>
<b>⑪ Creating a safe, employee-friendly workplace</b>					
<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> </ul>	403-2	<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> </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>	<ul style="list-style-type: none"> <li>● Number of occupational accidents decreased by 50% in FY2020 compared to FY2019, decreased by 80% in 2021, zero in 2025</li> </ul>
<ul style="list-style-type: none"> <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>	403-2	<ul style="list-style-type: none"> <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>	90%	<ul style="list-style-type: none"> <li>● Host events aimed at helping employees improve their life style habits, including those associated with exercise, diets, sleeping and alcohol consumption, along with expanding the content of health-related education for women and elderly employees to raise the health awareness of each individual and thereby assist them in their health improvement efforts</li> </ul>	<ul style="list-style-type: none"> <li>● Promote health and productivity management, implement the Sumitomo Rubber Industries Health and Productivity Management Declaration "Protect your own health", improve health awareness, and reduce the number of days of disease leave</li> </ul>

Plan	GRI	Do	Check	Action	Medium-to-long-term (2025) Targets
Fiscal 2020 Target	Guidelines	Fiscal 2020 Activity Result	Self-Assessment <small>*1</small>	Fiscal 2021 Target	
<b>⑫ Promoting diversity &amp; inclusion</b>					
<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> </ul>	401-3	<p>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</p> <ul style="list-style-type: none"> <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>	<ul style="list-style-type: none"> <li>● Promote childcare leave for male employees</li> <li>● Promote shorter working hours for childcare</li> <li>● Promote the use of the system</li> </ul>
<ul style="list-style-type: none"> <li>● Support work styles that leverage the diversity of individuals</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>	<ul style="list-style-type: none"> <li>● Support work-style based on individuality and diversity</li> </ul>
<b>⑬ Respect for human rights</b>					
<ul style="list-style-type: none"> <li>● Hold training on human rights</li> </ul>	412-2	<ul style="list-style-type: none"> <li>● Hold training on human rights</li> </ul>	100%	<ul style="list-style-type: none"> <li>● Hold training on human rights</li> </ul>	<ul style="list-style-type: none"> <li>● Hold training on human rights</li> </ul>

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

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