

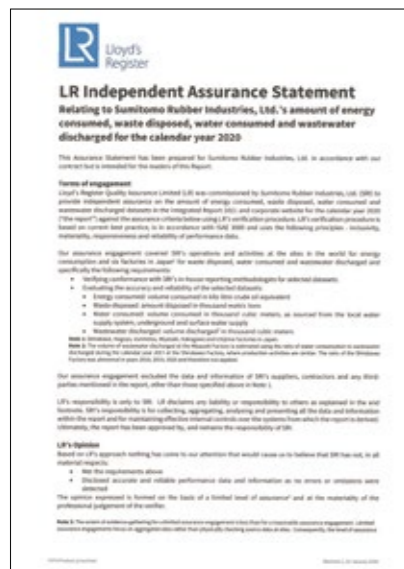
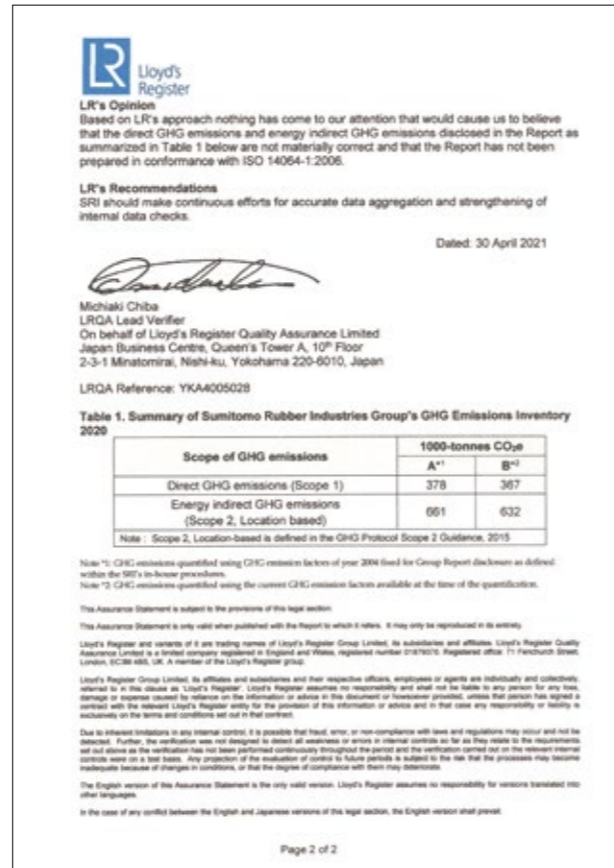
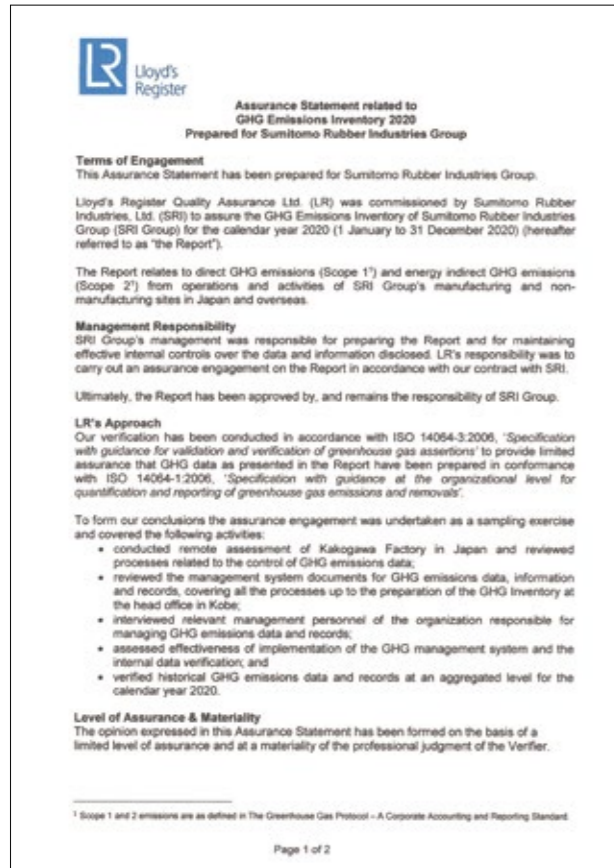
# Independent Verification Report

In order to enhance the reliability of this report and the environmental data disclosed on our website, we underwent verification by a third party.

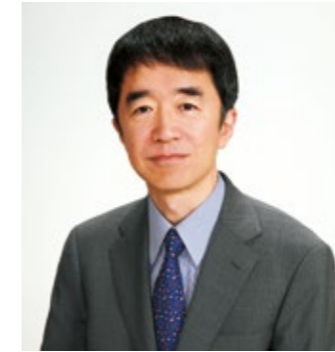
Data marked with “◎” (pages 45, 46, 50, and 52) has been verified.

The target data for verification and the verification criteria employed are as follows.

1. Total Global CO<sub>2</sub> Emissions  
Criteria: ISO 14064-1
2. Total Global Energy and Water Usage, Wastewater and Waste Disposal (Excluding Valuables) by Factories in Japan  
Criteria: LRQA's Report Verification (Pursuant to ISAE3000, AA1000AS and GRI)



# Third-Party Remarks



**Katsuhiko Kokubu**  
Professor at the Graduate School of Business Administration, Kobe University

Completed a doctoral program in business administration at Osaka City University Graduate School. After serving as an assistant professor at Osaka City University and Kobe University, he assumed his current position in 2001. Head of the Graduate School of Business Administration at Kobe University from 2014 to 2016. Has served concurrently as Vice President of Kobe University (from 2019 to 2021) and as Head of Kobe University V. School (since 2020). His recent publications include "From Accountability to Management Ethics" (Yuhikaku Publishing Co., Ltd.), "Emergent-Type Responsibility Management" (Nikkei Publishing Inc.) and "The 1st Step to Management Accounting" (Sekigakusha Inc.).

## Global Trend toward ESG Management

Over the last few years, we have seen a growing global trend toward ESG management. Previously, there had been quite a few companies publicizing ambitious statements regarding sustainability, but they have often failed to live up to these lofty goals in reality. However, today's businesses are becoming ever more serious about practicing ESG management and taking concrete action. Although Sumitomo Rubber Industries has been exemplary in terms of sustainability, I believe that the time has come for the Company to review its management approach to ESG issues on an across-the-board basis.

## My Impression of the "Our Philosophy" Corporate Philosophy Framework

Viewed in this light, the establishment of "Our Philosophy" in fiscal 2020 is of great significance. With the Group's Purpose serving as its pinnacle concept and defined as "Through innovation we will create a future of joy and well-being for all," this Philosophy consists of a Story, a Vision and the SRI Way. Moreover, the "Governance" section of this report clarifies that "Our Philosophy" is intended to serve as the basis for all decision-making and as the impetus for all actions throughout the Group. Thus, the Group's commitment to living up to this Philosophy is sure to be clearly understood by readers. Going forward, I would very much like to see the Group provide follow-up reports regarding changes in employee behavior driven by "Our Philosophy" from the next edition of its *Integrated Report* onward.

## Improving Organizational Framework and Enhancing Human Capital

For a business that is actively pursuing sustainability, among its various responsibilities to stakeholders, its responsibilities with respect to its employees are of particular importance. Amid the COVID-19 pandemic, corporations' treatment of their employees is becoming a subject of general public concern. In this report, Sumitomo Rubber Industries presents a policy of promoting Work Style Reform as part of efforts aiming to improve its overall organizational framework. Looking ahead, I expect the Group to report further on the details of these endeavors in the section dedicated to human capital. When it comes to developing human capital, ensuring robust investment and resource allocation with respect to employees is a matter of the utmost importance. Today, a growing number of businesses worldwide share a common understanding that employees deserve a robust allocation of resources, such as investment in their education, because helping employees to enhance their skills and living standards is considered a part of a company's corporate social responsibilities. In line with the Sumitomo Rubber Group's corporate philosophy, I hope that a concept of this kind will serve as the cornerstone of the Group's ESG management. This will, I believe, encourage all employees to substantially raise their awareness of ESG management and ultimately lead to the strengthening of the Group's overall organizational capabilities.

## Initiatives toward Carbon Neutrality

Sumitomo Rubber Industries has declared that it will strive to achieve carbon neutrality and is thus aiming to reduce net CO<sub>2</sub> emissions from its factories to zero by 2050. Although its GHG reduction efforts with an eye toward 2050 are worthy of praise, I am somewhat concerned about the level of detail when it comes to breaking this target down into specific steps and milestones, as 2050 is still a long way off. I believe that the Company should pay particular attention to the perception of this issue among younger employees. As these individuals are highly likely to still be Sumitomo Rubber Group employees in 2050, their perceptions will be a key factor affecting the success of the aforementioned declaration.

## Response to Third-Party Comments

I would once again like to thank Professor Kokubu for providing us with his pertinent advice and generous assessments. In line with the Midterm Plan that we announced in February 2020, our group has defined three key Value Drivers to propel our ongoing efforts to enhance both our economic value and our value to society, namely: "Developing & Promoting Sales of Advanced Products," "Creating New Value," and "Promoting ESG Management." In the interests of further promoting ESG Management, we newly established a Sustainability Promotion HQ in January 2021. With a new corporate philosophy structure, "Our Philosophy," now serving as the basis for all of our decisions and as the impetus behind all of our actions, we are committed to fostering organic changes in employee behavior (which is something that Professor Kokubu mentioned) and promoting Work Style Reform while simultaneously implementing various measures to achieve carbon neutrality and otherwise ensure that our business operations are as environmentally friendly as possible. Toward this end, all Group employees will come together in a united effort to push ahead with these ongoing endeavors. In this way, the Sumitomo Rubber Group will rally our combined strength in working to contribute to the creation of a safe and sustainable society in which everyone can work and live with consistent peace of mind.



**Fumikazu Yamashita**  
Executive Officer, General Manager, Sustainability Promotion HQ