

## Diversity & Inclusion

In 2019, the Sumitomo Rubber Group set forth a Top Commitment on D&I and Work Style Reform. However, in light of the formulation of “Our Philosophy,” the 2022 establishment of a dedicated organization for the promotion of D&I and other recent changes, we made the decision to put forth a new Top Commitment in order to clarify our thinking and reaffirm our strong commitment to promoting Diversity & Inclusion.

We now have a dedicated organization that is setting targets, developing specific action plans and spearheading various ongoing activities toward fulfilling our Top Commitment.

### A Dialogue of Our Human Resources Strategy

## Now that everyone has a stronger sense of ownership, we have a perfect opportunity to follow through with change.

**Ikawa** Before the formulation of “Our Philosophy,” the SRI Way served as a set of guiding principles for the entire Sumitomo Rubber Group. The SRI Way was formulated in 2009 to mark the 100th anniversary of our founding, and I myself was involved in its drafting as a member of the secretariat.

Looking back at those days, it was a very hectic time for human resources. In Japan, our hiring of new college graduates had been extremely limited for several years after the Great Kobe-Awaji Earthquake of 1995, which had put a serious dent in our business performance. At the same time, however, our strategy of shifting management resources to Southeast Asia turned out to be a great success, and so we were pushing ahead with the launch and expansion of manufacturing and sales bases in Indonesia, China, Thailand and elsewhere. This presented us with a new challenge as it became increasingly clear that it would not be easy to instill our attitudes and work styles at all of these bases under a single unified philosophy. Of course, this was not just an issue for our overseas bases. Even in Japan, it was becoming more and more difficult for us to marshal all of our organizations in a way that would ensure everyone was working toward the same objectives. This was due in no small part to a generation gap. After several austere years of limited hiring, we rapidly stepped up our recruiting activities as our performance improved, resulting in many workplaces with a lot of midcareer staff in their 30s working alongside new recruits fresh out of college, with nothing in between.

In light of this situation, we began drawing up the SRI Way to coincide with our 100th anniversary. By distilling our values into a set of simple guidelines written in plain language, we hoped to pass down to future generations the longstanding ideals of our group as well as important lessons from our past. At first, we began by looking through messages from top management in search of common themes. Simultaneously, we held repeated hearings with departments heads and midcareer staff for input on what they considered to be the best ways of working. These efforts gave shape to a template for our ideal work style, consisting of 4 Key Values and 11 Action Principles.

Our story picks up again in 2021, when we formulated “Our Philosophy” in a move that was likewise spurred by rapid and accelerating global expansion. Today, Sumitomo Rubber Industries has around 8,000 employees, while the Sumitomo Rubber Group has around 40,000 in total, which means that overseas employees now make up the vast majority of our workforce. If we are to bring all of our diverse group employees together and get everyone moving in the right direction under a shared set of core ideals, we need Diversity & Inclusion as well as our Purpose more than ever before. Here in Japan, millennials and Generation Zers increasingly place great importance on the idea of

Purpose. And, this is not just the case in Japan, it is in fact a common trend among younger generations worldwide.

For the Sumitomo Rubber Group, the essence of D&I lies not in a diversity of outward attributes, such as gender, but in a diversity of ways of thinking. We believe that, if teams composed of members with many different ways of thinking put management strategies into practice while tackling various management challenges, it will have the effect of raising the overall quality of our management. “Our Philosophy” and D&I are inextricably linked, as we believe that our diversity is all the more reason why “Our Philosophy” is necessary to get everyone on the same page and moving forward in the right direction.

**Sonoda** I have now gained a good sense of the historical background that led from the SRI Way to “Our Philosophy” as well as the thought processes that gave rise to these ideals. I hope that not only employees but also investors will come to understand and appreciate the business vector of the Sumitomo Rubber Group, which also includes the path that has brought the Group to where it is today. Toward this end, I think that it is a good idea to communicate “Our Philosophy” widely and through various means.

The Slogan of “Our Philosophy” is “Rubber and Beyond, Driving Our Future,” which conjures up images of taking on new challenges, unburdened by the past. The question is, How will this idea be incorporated into actual strategies so that it does not end up producing only images? The next essential step will be to visualize what outcomes specific actions bring about and what impacts those outcomes have at the organizational level. I believe that visualizing results in this way will serve to increase motivation at the individual level, which in turn will have the effect of further accelerating these efforts. What are your thoughts on this?

**Ikawa** Right now, we are still in the dissemination stage, working to get the word out about “Our Philosophy.” Looking to find a silver lining at the onset of the pandemic, we began holding online seminars and events for all of our employees in Japan, and we are now expanding these activities overseas. I would say that we are now at step three of ten in terms of the overall level of entrenchment throughout our group.

When it comes to entrenching “Our Philosophy,” Vision and SRI Way, the point is not simply to run through perfunctory explanations, but to have each employee look back over his or her own career in search of experiences that bear similarities to these ideals, as everyone is bound to have had such experiences at some point. I believe that linking one’s own experiences to “Our Philosophy” in this way makes it easier for everyone to understand “Our Philosophy” as something that is directly connected to each of us. On the organizational level, we also create opportunities to discuss case studies illustrating how we have lived up to the ideals of “Our Philosophy” and the SRI Way in the past with a focus on how actual events have raised the level of organizations and so forth.

In addition, we recently updated our personnel evaluation system to assess how closely employees hew to our ideal work style, rating their actions in terms of “Integrity & Soundness,” “Challenge” and “Mutual Trust” in order to reward those who consistently put our ideals into practice. I believe that we can bring about positive change throughout the Sumitomo Rubber Group by singling out exemplary employees based on both their performance and their behavior with an eye toward the leadership that they can bring to various workplaces.

**Sonoda** I believe that the “Be the Change” Project has great potential to produce enormous results. Spearheaded by President Yamamoto himself,



**Kiyoshi Ikawa**  
Executive Officer  
Head of the Human Resources &  
General Affairs HQ

## D&I Top Commitment

In order to live up to the ideals of “Our Philosophy,” the Sumitomo Rubber Group is actively working to promote mutual greater respect among all of the diverse employees who make up our group.

The Sumitomo Rubber Group considers “uniting our diverse strengths and growing together” to be a key management challenge. With this in mind, we hereby declare the following.

**Satoru Yamamoto**  
President & Representative Director  
Sumitomo Rubber Industries, Ltd.

### Declaration on the Promotion of D&I

The Sumitomo Rubber Group respects and values the diverse attributes and ways of thinking of all of our employees and so shall strive to create workplaces that enable all individuals to harness their full potential.

- Gender, Sexual Orientation, Gender Identity, Age, Disability, etc.
- Employment Status, Situation of Hiring, etc.
- Place of Birth, Nationality, Race, Ethnicity, Culture, Religion, etc.



**Mari Sonoda**  
Outside Director

this project is not just about taking on big and exciting challenges, but also includes many activities to bring about steady change on a day-to-day level. It is this aspect that I find particularly encouraging, as this kind of incremental approach often proves to be the most effective. I am sure that shining a spotlight on the kinds of efforts that would not normally rise to the attention of top management will lead to the revitalization of your entire organization.

We have been talking about how “Our Philosophy” came about, but I would also like to ask about what was going on in 2019, when you first started these D&I initiatives.

**Ikawa** Empowering women in the workplace is a central tenet of D&I, and we have put a lot of effort into recruiting more women over the years. However, we have also faced significant challenges when it came to retaining women after hiring, and so we started out by working on ways of providing occupational support for employees who were going through major life events. As we began digging deeper into these activities in 2019, what we found was that, although support systems and mechanisms existed, they were not being utilized by women or workplaces. So, we began by setting out to change workplace mindsets in tandem with other ongoing improvements. Thanks to information sharing with managers, various types of training and other efforts, we began making progress not only in terms of awareness and understanding, but also in terms of workplaces actively encouraging employees to take advantage of these support systems.

**Sonoda** “Our Philosophy” includes phrases such as “Strength in Diversity” and “Mutual Respect” while also making it clear how these terms fit into your overall philosophical framework. I imagine that this has made it easier to establish corresponding rules and to promote awareness and understanding among employees.

**Ikawa** Indeed, it has. In particular, linking personnel evaluations with how well employees practice the SRI Way was an indispensable part of this process and one that we put a lot of time and energy into.

**Sonoda** Momentum comes naturally once everyone has gained a better understanding of organizational health. Improving organizational health makes it easier to attract the best and brightest talent, which, in turn, augments the core strength of the organization. Toward this end, it is first essential that systems are in tune with employee awareness.

The automotive industry as a whole is now in the midst of a period of major transformation, and the nature of the game is changing day by day. I believe that these unprecedented changes provide an opportunity to realize D&I based on “Our Philosophy” and the “Sumitomo Business Philosophy.”

**Ikawa** Here in Japan, our midcareer hiring currently far exceeds our hiring of new graduates. I believe that our group is now in the midst of a major transition, one that will see us bring together diverse talent with various backgrounds and know-how in combination with the strengths and knowledge that we have accumulated over the years so that we can then step up our efforts to create new value. A more diverse talent pool also means more people with many different values, a situation that also makes management all the more complex from the perspective of D&I. Nevertheless, with an eye toward cultivating and developing talent, we are working on building systems that encourage employees to actively seek out and accumulate all sorts of experience.

Now that each and every employee has a stronger sense of ownership and urgency, we are presented with a perfect opportunity to follow through with various changes for the better.



## Future Action

The Sumitomo Rubber Group is actively engaged in various efforts to support minority employees, including women, members of the LGBT community and foreign nationals. As we consider the empowerment of women in the workplace to be a key challenge, we have prepared a manual for supporting employees who are balancing the needs of work and childcare and established systems for following up on employees who have had to put their careers on hold. In addition, we established a mentoring system in 2021 with the aim of cultivating the next generation of female leaders. First, we are bringing in mentors from outside the company

to provide mentoring and skill training for future mentors within the company, who will then provide mentoring to mentees within the company. Once we get this cycle up and running, we plan to gradually expand eligibility for both mentors and mentees.

When it comes to supporting the LGBT community, we have been working to increase the number of employees who understand what it means to be an LGBT Ally, issuing Ally Stickers to those who have completed training with the aim of creating a more supportive work environment where LGBT employees feel comfortable working.

Percentage of Management Positions Held by Women	Hiring Rate of Women	Percentage of Employees with LGBT Ally Sticker	No. of Mentor System Users	Foreign Employee Questionnaire Score
2025 Target: <b>7%</b>	Annual Target: <b>20%</b>	2023 Target: <b>10%</b>	2025 Target: <b>150</b>	2030 Target: <b>Improvement Across All Categories</b>