

# Kindness

A Kind Culture Where Everyone Can Prosper

## 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, we are working on activities to maintain or improve the health of employees and on the enhancement of our organizational culture, which we are putting into practice as a strategic priority.

## Promoting Diversity & Inclusion

We have positioned "Through innovation we will create a future of joy and well-being for all" as our Purpose, and are pursuing our Vision of "Uniting our diverse strengths, growing together, driving and thriving on change" as the means of achieving the above purpose. To realize this Vision, we think that promoting diversity & inclusion (D&I) is a matter of particular importance. New ideas are more likely to emerge from an organization supportive of diversity and capable of realizing the full potential of each worker, because people tend to become more open to sharing their opinions in an environment in which they feel psychologically safe. This is exactly the objective of D&I promotion and our Vision.

To this end, in 2019, we launched the D&I project within the Human Resources & General Affairs Department. This project is taking a cross-departmental approach while heeding the voices of employees to implement D&I measures affecting a growing scope of the organization. In particular, since 2019 we have focused on creating a corporate culture that values each individual's personal uniqueness and needs. Based on this focus, we strove to raise employee awareness of the issues arising from unconscious bias. We have provided in-house training on these matters, starting with managers and steadily extending the scope of training to non-managerial employees.

We recognize that women's empowerment is a matter of particular importance among diversity issues, and have promoted various initiatives to this end (a mentoring system [▶ p. 36](#)). To raise awareness about the LGBT community, in 2021 we began providing training programs to employees charged with handling human resources and general affairs as well as all managers and officers while establishing external helplines. In recognition of these and other efforts, we were chosen to receive a "Silver" rating under the PRIDE Index rating program. Furthermore, in April 2022, we instituted an in-house rule regarding the registration of same-sex partners, starting to offer equal treatment to individuals with same-sex partners when they applied for the portion of employee benefit programs that have previously been available only to married employees.

For foreign national employees, we began providing Japanese language education while making English versions of in-house materials available to them. We implemented these and other measures based on questionnaires undertaken in 2019, and we intend to continuously address issues foreign national employees are confronting by heeding their voices via periodic questionnaires.

### Sumitomo Rubber Group's Basic Hiring Policy

A diverse employment environment and human resource development

A workplace environment conducive to job satisfaction

Fair evaluation and equal benefits

### Health & Productivity Management Declaration

The Sumitomo Rubber Group considers each employee the most important asset underpinning corporate growth and business expansion.

We believe that supporting the mental and physical health of all Sumitomo Rubber Group employees and their families is essential to ensuring happiness for each as well the Company's sustainable growth and development.

Accordingly, we endeavor to foster a health-oriented corporate culture that encourages every employee to spontaneously strive to improve their health while caring about one another so that they can continue to work vibrantly. We believe that a corporate culture of this kind will serve as the foundation supporting our ability to deliver joy and well-being for all.

To practice health & productive management guided by "Our Philosophy," we will continue to take on these challenges, with the Company, the labor union and the Health Insurance Association acting in collaboration with everyone working at the Sumitomo Rubber Group and their families.

Also, in order to step up our D&I initiatives, in April 2022 we established a dedicated organization tasked with handling D&I measures within the Human Resources Department. This organization is expected to spearhead D&I promotion by taking a cross-departmental approach.

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

Women's empowerment is considered a particular priority among issues associated with D&I promotion. We conduct questionnaires targeting all employees to identify matters inhibiting women's advancement in addition to helping them raise career awareness, assisting them in their efforts to strike a work-life balance, fostering a culture supportive of women's success and encouraging mutual understanding among the entire workforce. In addition to helping raise career awareness, in 2021 we instituted a mentoring system to nurture female leaders. We have also prepared a manual regarding measures to be implemented to support a work-life balance for employees engaged in child rearing or nursing care.

To prevent having or raising children from disrupting women's careers, this manual makes it a rule to provide each female employee who is expecting or has recently given birth with a total of five rounds of interviews attended by her supervisor, and, occasionally, a manager in charge of human resource management. In addition, we have started to distribute a leaflet designed to facilitate the utilization of childcare leave and other relevant programs, targeting both eligible male and female employees and their supervisors. We also strive to raise employee awareness regarding unconscious bias to facilitate the development of an inclusive workplace environment that enables every employee, no matter their eligibility for the above programs, to work with confidence.

### External Certifications and Evaluations

October 2020: "L-boshi" (third level) certification  
 March 2021: "Kurumin" mark (Dunlop Golf Club Corp.)  
 October 2021: "Silver" rating under the PRIDE Index 2021 rating program designed to assess the level of initiatives undertaken by businesses to protect rights of sexual minorities



## Response to the COVID-19 Pandemic and Work Style Reform

In fiscal 2021, we continued to place the utmost priority on preventing the spread of COVID-19 infection within and outside the Sumitomo Rubber Group and ensuring the safety of our employees and stakeholders. For example, we have thoroughly practiced such basic countermeasures as washing hands, gargling, wearing masks and installing partitions at working spaces, meeting rooms and cafeteria. At the same time, we implemented workplace vaccinations while introducing a special paid leave system to make it easier to be vaccinated. In these ways, we strove to ensure that every employee who hopes to obtain vaccination can do so.

In conjunction with the above measures, we have encouraged employees to proactively utilize work-from-home, staggered working hour, flexible and other programs to mitigate the risk of infection as well as to

promote Work Style Reform. We also pushed ahead with a shift to online platforms for both internal and external meetings while going paperless, with the aim of developing an environment in which those working at home can smoothly operate. Meanwhile, we have renovated our physical office spaces, which are now used by fewer number employees than before, into a location-free workspace to invigorate and encourage workplace communications that transcend job grades and departmental boundaries. As such, we are implementing various measures to improve productivity.

Looking ahead, we will continue to develop a working environment that is safe and friendly to all employees while striving to ensure they can find their job rewarding.

## Creating a Safe, Employee-Friendly Workplace

### Diversification of Work Styles

In step with the recent shift in the social environment, we have introduced various systems and programs designed to accommodate diverse work styles. Going forward, we will explore even better work styles while heeding voices from employees.

**Location-free workspace** A portion of Head Office departments and factories abolished conventional workplace arrangements based on fixed seats and introduced a location-free workspace system to create a more employee-friendly environment.

**Work-from-home allowances** Since working from home has become a plausible option among diverse work styles, we began to provide allowances to employees working at home to appropriately subsidize expenses incurred by these individuals.

**Provision of paid leave for care-giving in hourly units** We have granted paid leave to employees who engage in care-giving for a sick child. In conjunction with the revision of relevant laws, we have made it possible for such employees to take paid leave in hourly units.

**Subsidies for childcare facility users** We provide up to ¥50,000 per month to subsidize expenses incurred by employees who place their child (younger than two years old) in childcare facilities after taking childbirth and childcare leave for a certain period of time.

**Encouraging male employees to take childcare leave** In addition to issuing a manual designed to assist employees' pursuit of a good balance between child rearing and work, the department in charge of human resource management sends e-mails to employees whose spouses give birth to the child as well as to their supervisors to encourage the use of the childcare leave system.

### Promoting Health & Productivity Management

We promote health & productivity management in a way that invites everyone to play their part, with the Company, employees, the labor union and the Health Insurance Association acting in collaboration. We have codified our rules on health management and our criteria for risk levels through the establishment of Health Management Regulations. Addressing issues associated with mental health, we are also strengthening employee education on self-care, educating our managers and supervisors to properly handle these issues and extending support for the reinstatement of those affected by such issues. In these and other ways, we are taking an organizational approach to tackling various issues even as we steadily operate a PDCA cycle.

As a result of these efforts, in March 2022, we were chosen as one of 50 companies selected for inclusion in the "2022 Health & Productivity Stock Selection" program organized by the Ministry of Economy, Trade and Industry in tandem with the Tokyo Stock Exchange. This program recognizes companies that take a strategic management approach to the health management of their employees, and Sumitomo Rubber Industries was selected for inclusion for the second time. We have also been certified under the "2022 Certified Health and Productivity Management Organization Recognition Program—White 500," a program designed to commend excellent companies in terms of the practice of health & productivity management, for the sixth consecutive year.

To further step up our health & productivity management, in July 2022 we announced an updated version of the "Health & Productivity Management Declaration" that is built on our previous declaration while incorporating new elements from "Our Philosophy."

We have also identified "strengthening the industrial hygiene structure" and "fostering a health-oriented corporate culture" as long-term priority targets. In line with these targets, we have set seven short- to medium-term targets for health & productivity management.



## Human Resource Development and Work Style Innovation

### Enhancing Our Organizational Culture

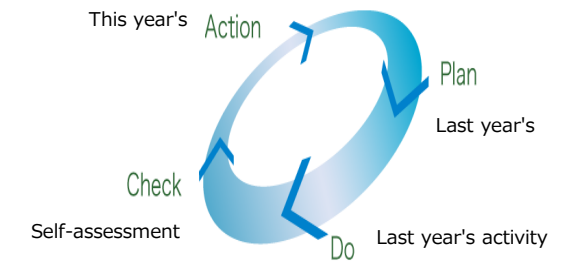
As part of employee satisfaction surveys, since 2008, we have conducted biennial questionnaires on the organizational culture. From 2020 onward, we accelerated the cycle of these questionnaires while disclosing their results to all employees. Currently, we implement four essential policies, namely, "developing an environment supportive of those who take on challenges," "creating an open-minded workplace free of boundaries between departments and grades," "enabling each individual to exercise leadership" and "pursuing highly productive operations aligned with Groupwide strategies." We will continuously work to transform our corporate culture to achieve these policies.

### Human Resource Development

For us to become a company capable of thriving on changes, every employee is called upon to continuously take on challenges instead of shrinking away due to the fear of making mistakes. With this in mind, we have developed training systems designed to help employees acquire leadership skills, problem-solving capabilities and other foundational competencies supporting their pursuit of challenges. These systems provide a range of options so that employees can freely choose programs to obtain necessary skills irrespective of their job grades. For those in deputy manager positions or higher, including Directors and Executive Officers, we introduced a 360-degree feedback system to annually provide them with opportunities to objectively examine their own leadership styles. For those in Executive Officer positions or higher, we offer executive coaching programs in order to develop an environment that supports their pursuit of constant personal growth.

# Targets and Results

We verify results and set targets for the following year, based on the Group's activity guidelines "GENKI." Here are the goals and results we set for each item.



Plan Fiscal 2021 Target	GRI Guidelines	Do Fiscal 2021 Activity Result	Check Self- Assessment **1	Action Fiscal 2022 Target	Medium-to-long-term (2025) Targets
<b>⑬ Fostering human resource development and making work rewarding</b>					
<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>	404-2	<ul style="list-style-type: none"> <li>Implemented 360-degree feedback sessions targeting a broader range of managers, encompassing the President and other senior management members through to deputy managers, in line with initial plans. Also conducted leadership seminars targeting not only the President and other managers, but also other employees to help them embrace a mindset as a leader even while serving in non-managerial positions</li> </ul>	100%	<ul style="list-style-type: none"> <li>Further expand the scope of workplaces covered by the above measures, following the 2021 implementation of such measures that aimed to include an even broader range of overseas bases and Group companies in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Utilize 360-degree feedback results as an assessment of individual behavioral characteristics for talent management</li> <li>Based on individual career visions and behavioral characteristic assessments, provide the detailed training measures necessary for a capacity development plan to achieve the desired state</li> </ul>
<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>	404-2	<ul style="list-style-type: none"> <li>In addition to hosting online seminars, we launched tangible discussions regarding how we help women and senior employees earn success. To support the LGBT community, we held lectures for those in manager or higher positions while distributing educational videos to raise employee awareness</li> </ul>	90%	<ul style="list-style-type: none"> <li>Implement tangible measures to help women and senior employees earn success</li> </ul>	<p>&lt;Further promoting women's activities&gt;</p> <ul style="list-style-type: none"> <li>Further promotion of female executives' participation rate: 7</li> <li>Sustaining the employment rate of women at more than 20%</li> <li>Acquisition of a "Kurumin" mark</li> </ul>

**14 Creating a safe, employee-friendly workplace**

<ul style="list-style-type: none"> <li>● Continue to pursue improvement in safety indicators (KPIs) as part of our priority activities, making ongoing efforts to iron out disparities between bases, departments, and workplaces</li> </ul>	403-2	<ul style="list-style-type: none"> <li>● Identified 11 KPIs and continued to implement priority activities under ambitious targets; although some progress has been made in terms of improving weak areas, targets have yet to be fully met</li> </ul>	85%	<ul style="list-style-type: none"> <li>● Continue to pursue KPIs as part of our priority activities, 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 FY2023 compared to FY2021, decreased by 80% in 2024, zero in 2025</li> </ul>
<ul style="list-style-type: none"> <li>● Host events aimed at helping employees improve their lifestyle 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>	403-2	<ul style="list-style-type: none"> <li>● Held online and on-demand seminars on four occasions to discuss topics on exercise, sleeping and alcohol consumption as part of measures to help employees improve their lifestyle habits</li> <li>● Prepared educational materials designed to raise employee awareness regarding the importance of daily dietary habits while notifying employees of the presence of such materials via e-mails and bulletin boards</li> <li>● Began hosting on-demand exercise seminars for senior employees (mainly those aged 50 or older) as a new initiative</li> </ul>	90%	<ul style="list-style-type: none"> <li>● Focus on implementing measures to address issues associated with smoking, dietary habits, sleeping and alcohol consumption as we have positioned helping employees improve their lifestyle habits as a priority issue. To address the issue of smoking in particular, the Smoking Cessation Committee will be launched to promote efforts to prevent second-hand smoking and to curb the ratio of smokers among employees</li> </ul>	<ul style="list-style-type: none"> <li>● Prevention of serious illness: Reduction in the number of people suffering from lifestyle-related diseases, such as obesity, hypertension, and diabetes, and improvement in the rate of appropriate health management</li> <li>● Lifestyle improvement: Set priority themes focusing on smoking, drinking, sleeping, and eating and develop these themes to the whole group company</li> <li>● Mental health measures: Reduce the proportion of highly stressed employees and revitalize workplace improvement activities</li> <li>● Plans to measure and improve presenteeism from this year</li> <li>● Medical treatment and work-balance support: Enhancing the system</li> <li>● Health support for female as well as elderly employees</li> <li>● Measures against infectious diseases, including COVID-19</li> <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>

15 Promoting diversity & inclusion					
<ul style="list-style-type: none"> <li>Facilitate employee understanding of and encourage the use of various support systems via the distribution of guidebooks, which describe measures in place to help strike a work-life balance, and through announcements to eligible employees and their supervisors</li> </ul>	401-3	<ul style="list-style-type: none"> <li>Issued a manual on how to help female employees strike a good work-life balance even as they take on childcare or nursing care while making it a rule for each employee who is expecting or has given birth to be interviewed by her supervisor, at least five times, with staff in charge of human resource management occasionally attending</li> <li>When a spouse gives birth, began sending e-mail notifications to employees and their supervisors to encourage the use of a childcare leave system</li> </ul>	100%	<ul style="list-style-type: none"> <li>Strive to ensure the content of the manual is understood by all</li> <li>Implement additional measures to encourage male employees to assume a greater role in child rearing</li> </ul>	<ul style="list-style-type: none"> <li>100% of men taking parental leave combined with public holidays and so on</li> <li>Promote the use of shorter daycare hours</li> <li>Promote the use of the system</li> </ul>
<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 childrearing and work</li> </ul>	405-1	<ul style="list-style-type: none"> <li>Implemented training sessions to address unconscious biases even as we expand, in phases, the scope of employees required to attend. Also held panel discussions and round-table meetings attended by employees to address specific themes relevant to the issue</li> <li>A mentoring system has been introduced</li> </ul>	100%	<ul style="list-style-type: none"> <li>Expand the mentoring system to include an even broader range of employees</li> <li>Implement measures to facilitate the understanding of the LGBT community targeting a growing scope of employees</li> <li>Improve the working environment for female engineers</li> </ul>	<Support work styles that capitalize on individual diversity> <ul style="list-style-type: none"> <li>150 users in the mentorship system</li> <li>Improved numeric survey results for foreign employees</li> <li>Arai sticker distribution rate of 20 or more</li> </ul>
16 Respect for human rights					
<ul style="list-style-type: none"> <li>Hold training on human rights</li> </ul>	412-2	<ul style="list-style-type: none"> <li>Hosted lectures targeting all officers and managers to facilitate their understanding of the LGBT community</li> </ul>	100%	<ul style="list-style-type: none"> <li>Establish a Human Rights Management System</li> </ul>	<ul style="list-style-type: none"> <li>Training with regard to human rights</li> </ul>

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

$$\left( 1 - \left| \frac{\text{Baseline Value} - \text{Actual Value}}{\text{Baseline Value}} \right| \right) \times 100\%$$