

Priority Issues (Materiality)

The Sumitomo Rubber Group has identified priority issues that must be addressed in the interests of both our various stakeholders and ourselves, with the aim of embodying our Purpose, “Through innovation we will create a future of joy and well-being for all.” as defined by “Our Philosophy,” our corporate philosophy structure.

We have also established strategies and targets for each priority issue in line with our Long-Term Sustainability Policy: “Driving Our Future Challenge 2050” to guide our activities. Moreover, our initiatives encompass other issues recognized in the course of identifying priority issues and deemed to carry relatively greater significance.

Priority Issues	Vision of What We Aim to Achieve	KPIs to Be Achieved by 2050 in Connection with Priority Issues	No. of Pages Describing Details
Enhancing corporate governance and compliance 5 8 10 16 17	Secure an even stronger compliance structure enabling us to maintain robust corporate governance systems as well as thorough compliance with laws, regulations and corporate ethics	<ul style="list-style-type: none"> Increasing the Diversity of Board Members ⇒ Establishment of a Framework for Improving the Effectiveness of the Board of Directors with an Eye Toward External Changes & Our Shifting Business Situation Improving the Effectiveness of Governance ⇒ Analyzing the Results of Third-Party Assessments to Enact Measures to Enhance Effectiveness Ensuring Transparency with Respect to Taxes ⇒ Formulation of Tax Policy ⇒ Enactment of Global Tax Strategy (2025) Instilling “Our Philosophy” ⇒ 80% Supportive Response on “Our Philosophy” Entrenchment Survey (2030) 	P.8 P.77-P.88
Pursuing the creation of a decarbonized society 7 9 11 13 17	Contribute to decarbonization across society by achieving carbon neutrality through business activities focused on reducing CO ₂ emissions	<ul style="list-style-type: none"> Securing a 50% Reduction in Emissions Compared to 2017 Levels (2030), Full Carbon Neutrality (2050) Setting Targets for the Reduction of Scope 3 Emissions (2022) Achieving the Stable Operation of a Production Line Utilizing Hydrogen Boilers (2023) 	P.59-P.60
Building a circular economy 7 9 11 12 13	Help create a circular economy by improving the efficiency of the value chain via the development of sustainable raw materials, products and services and the utilization of data	<ul style="list-style-type: none"> Establishment of “TOWANOWA,” a Business Concept Supporting a Circular Economy through Our Tire Business Sustainable Raw Material Content Targets by Product Line ⇒ Tires: 40% (2030), 100% (2050) ⇒ Sports: 20% of All Practice Golf Balls Sold (2030), 100% of All Golf Balls Sold (2050) Launch of 100% Sustainable Tennis Balls (2030), 100% of All Tennis Balls Sold (2050) Industrial Products (by Weight): 40% (2030), 100% (2050) Reducing Plastic Usage ⇒ 40% Reduction in Plastic Used in Tire Labels, Packing Materials, Sales Promotion Tools, etc. Compared with 2019 Levels (2030) 	P.56-P.58 P.62
Pursuit of eco-friendly products and services that boast high quality in terms of safety, security and comfort 3 7 9 11 12 13	Develop and deliver products and services of high quality in terms of safety, security and comfort as well as environmental friendliness	<ul style="list-style-type: none"> Realizing SMART TYRE CONCEPT ⇒ Concept Tire Completion (2029), Equip all new tires with smart tire concept (2030) Establishing a Sustainable Product Certification System ⇒ Setting Targets for Internal Standards (2022) Expanding Data Business and Solution Business 	P.40 P.49-P.52 P.61
Promoting of diversity & inclusion 5 8	Realize a workplace that ensures respect for diverse attributes and ways of thinking and empowers all individuals to live up to their full potential	<ul style="list-style-type: none"> Promoting Diversity & Inclusion ⇒ Expansion of Unconscious Bias Training to All Levels (2030) Promoting Women’s Empowerment ⇒ Ongoing Career Development Program for Women ⇒ Percentage of Management Positions Held by Women: 7% (2025), 12% (2030) 	P.69-P.70 P.73-P.76

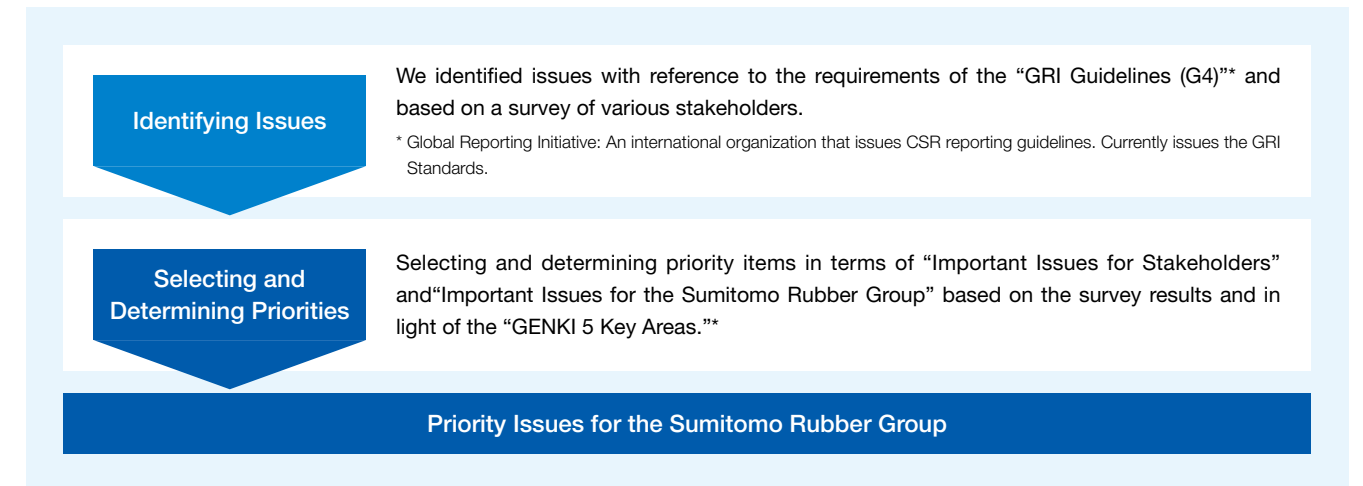
In addition to addressing priority issues, we recognize the following items as issues requiring countermeasures.

Issues	Vision of What We Aim to Achieve	Measures to Address Issues and KPIs	No. of Pages Describing Details
Strengthening of Our Environmental Management System 11 12 13 14 15	Strengthen our environmental management system on a global basis by robustly managing environmental load substances and acquiring ISO certification	<ul style="list-style-type: none"> Establishment of the “Sustainability Promotion Committee” under the Direct Supervision of the Board of Directors to Ensure a Shared Recognition of Global Issues Associated with Climate Change and Confirm Progress in Initiatives to Address Such Issues Climate Change-Related Risk Management Support of Various International Initiatives Water Resources: Reducing Water Usage ⇒ 100% Recycled Water Usage at Bases of Operations in Areas with High Water Security Risk (2050) 	P.63 P.65
Preservation of Biodiversity 13 15	Promote measures to preserve biodiversity through business activities in addition to continuously striving to develop thriving forest and protect endangered species, etc.	<ul style="list-style-type: none"> Conservation Activities Focused on a Total of 20 Endangered, Near Threatened and Rare Species at Eight Bases in Japan Planting Trees and Providing Seedlings (3,326 trees planted and 9,385 seedlings provided in 2022) Developing Forest within the Premises of the Okayama Tire Proving Ground 	P.66
Creation of a Supply Chain That Gives Due Consideration to the Environment and Society 1 13 15	Develop solid partnerships with suppliers through procurement initiatives that give due consideration to environmental and social concerns	<ul style="list-style-type: none"> Supply Chain Management for the Environment: Sustainable Natural Rubber (SNR) Policy ⇒ Raw Material Procurement in Line with SNR Policy • Applied to Major Suppliers (2030), Applied to All Suppliers (2050) Supply Chain Management: Actively Seeking Third-Party Assessments (EcoVadis) ⇒ Procurement of 95% (purchase value basis) of Tire Raw Materials from Suppliers Who Earned Standard (45 points) or Higher Scores (2030) (plans call for rolling out this procurement approach to businesses other than the Tire Business)* 	P.64
Respect for Human Rights 1	Ensure respect for the human rights of Sumitomo Rubber Group employees and workers at supply chain constituents	<ul style="list-style-type: none"> Establishing a Human Rights Management System ⇒ Formulation of a Global Human Rights Policy (2023), Creation of Human Rights Management System and Due Diligence Process (2024), Practice of Human Rights Due Diligence (2025) 	P.70
Development of Human Resources 8	Promote the development of human resources and help employees raise their competencies	<ul style="list-style-type: none"> Organizational Culture: Developing Leadership ⇒ Global Introduction of 360° Feedback (2030), Ongoing Executive Coaching (2030), 80% Positive Responses on Organizational Health Survey (2030) 	P.71-P.72
Promotion of Well-Being Management 3	Promote initiatives to ensure that employees stay physically, emotionally and socially safe and healthy	<ul style="list-style-type: none"> Thoroughgoing Occupational Safety & Health ⇒ Zero Serious Accidents Promoting Healthy Management ⇒ Revamping Industrial Health Framework & Cultivating a Culture of Health 	P.70
Improving Stakeholder Engagement	Develop and strengthen relationships with diverse stakeholders, including customers, shareholders, investors, employees, suppliers and regional communities	<ul style="list-style-type: none"> Engage in Dialogue with Institutional Investors to Improve Corporate Value 	P.89
Harmonious Coexistence and Mutual Prosperity with Local Communities via Our Engagement in Social Contribution Activities	Strive to develop relationships with regional communities through social contribution activities	<ul style="list-style-type: none"> Promote joining the Sumitomo Rubber Industries CSR Fund Work together with NPOs 	P.90

Items marked with “*” are measures specified under the Long-Term Sustainability Policy: “Driving Our Future Challenge 2050”

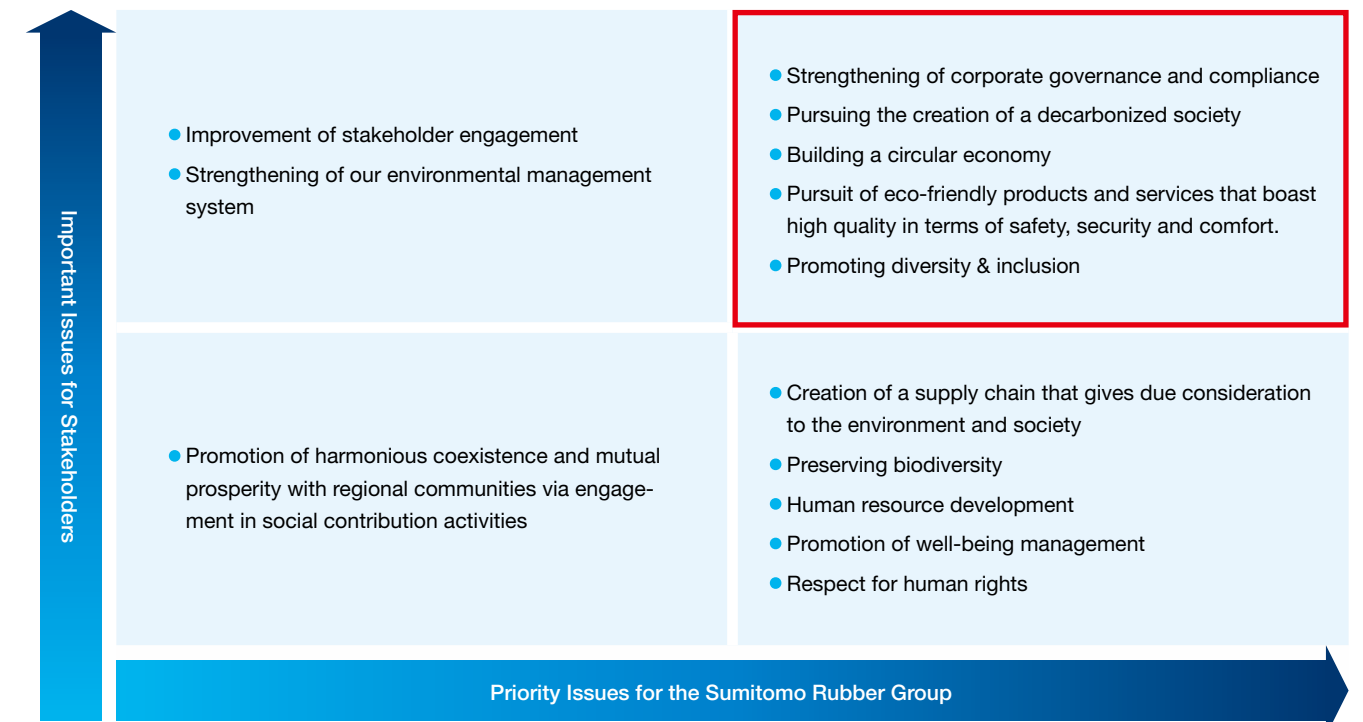
Methodologies Used to Identify Priority Issues

We have identified priority issues by employing the following scheme.



** “GENKI” is a concept defined under the Sumitomo Rubber Group’s Sustainability Vision. For details, please refer to pages 17 and 54.

Issues Identified / Priority Issues for the Sumitomo Rubber Group (Red Rectangle)



Review of Priority Issues

In 2022, we redefined the list of priority issues that should be addressed to embody “Our Philosophy,” consolidating 18 conventional priority issues into 13 to make them easier to understand and more consistent with our awareness of the Purpose. We have also reworded some priority issues to align them with the actual status of relevant activities currently under way.

In conjunction with this redefinition, we have prepared additional descriptions of our visions vis-à-vis each of the 13 priority issues to secure a robust understanding of what we aim to achieve by addressing them. We believe that, by presenting the priority issues alongside our vision, objectives of our activities will be more deeply understood by employees and other stakeholders.