

Long-Term Sustainability Policy: “Driving Our Future Challenge 2050”

When we announced the Sumitomo Rubber Group’s Midterm Plan in February 2020, we identified “Promoting ESG Management” as one of the key Value Drivers for achieving our goals. Accordingly, we have pledged to redouble our efforts to work toward the solution of various environmental and social issues throughout our business activities so that we may contribute to the realization of a sustainable society.

In light of radically evolving conditions associated with social issues, including the growing repercussions of climate change, we came to the conclusion that a new policy, one based on long-term perspectives that look to the world of 2050 and beyond, would be essential to our efforts to ensure the sustained growth and development of both our group and society as a whole. The Long-Term Sustainability Policy: “Driving Our Future Challenge 2050” was thus formulated and announced in August 2021.

Challenge Targets Set Forth under “Driving Our Future Challenge 2050”

	2050 Challenge Target Themes	Action Plans	Targets (Target Year)
Environment Protecting the Global Environment & Safety	● Product Innovation	● Realizing the SMART TYRE CONCEPT	● Concept Tire Completion (2029), Equip all new tires with SMART TYRE CONCEPT technology (2030)
		● Establishing a Sustainable Product Certification System	● Setting Targets for Internal Standards (2022)
	● Carbon Neutrality	● Carbon Neutrality (Scope 1, Scope 2)	● 50% Reduction in Emissions Compared to 2017 Levels (2030), Full Carbon Neutrality (2050)
		● Carbon Neutrality (Scope 3)	● Setting Targets for the Reduction of Scope 3 Emissions (2022)
		● The Utilization of Hydrogen	● Stable Operation of Production Line Utilizing Hydrogen Boilers (2023)
	● Resource Circulation ● Sustainable Raw Materials	● Increasing the Usage Rate of Sustainable Raw Materials	● 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)
● Water Resources	● Reducing Water Usage	● 100% Recycled Water Usage at Bases of Operations in Areas with High Water Security Risk (2050)	
● 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)	
Social Harmonious Coexistence with Society	● Safety & Health	● Thoroughgoing Occupational Safety & Health	● Zero Serious Accidents
		● Promoting Healthy Management	● Strengthening Industrial Health Framework & Cultivating Culture of Health
	● Organizational Culture	● Developing Leadership	● Global Introduction of 360° Feedback (2030), Ongoing Executive Coaching (2030), 80% Positive Responses on Organizational Health Survey (2030)
	● Respect for Diversity & Harmony	● 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)
● Respect for Human Rights	● Establishing a Human Rights Management System	● Formulation of a Global Human Rights Policy (2023), Creation of a Human Rights Management System and Due Diligence Process (2024), Establishment and Implementation of Human Rights Due Diligence (2025)	
● 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) (planning the phased rollout of this procurement approach to businesses other than the Tire Business)*	
Governance Reinforcing the Foundations of Our Business	● Enhancing Corporate Governance	● 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
	● Thoroughgoing Compliance	● Transparency with Respect to Taxes	● Formulation of Tax Policy ● Enactment of a Global Tax Strategy (2025)
		● Instilling “Our Philosophy”	● 80% Supportive Response on “Our Philosophy” Entrenchment Survey (2030)

Note: With regard to supply chain management, we have revised our target from Auditing Performed for 95% of Tire Raw Materials on Purchase Value Basis (2030) to Procurement of 95% (Purchase Value Basis) of Tire Raw Materials from Suppliers Who Earned a Standard (45 Points) or Higher Score (2030), setting our sights even higher.