

[Appendix] Individual Environmental Initiatives

If climate change escalates as a result of the greenhouse gases generated by our business activities, we believe that the impact will be felt most strongly with respect to natural rubber, which is a key raw material for tires, and water, which is used in the manufacturing process. Based on this recognition, our understanding is that climate change, a circular economy, and biodiversity must be approached in an integrated manner, rather than through independent initiatives, since they are materiality factors that are interrelated with one another. Thus, we are pursuing our environmental initiatives in constant dialogue with stakeholders.

●Climate Change

We produce a large amount of greenhouse gases through our business activities. We will reduce the emission of such gases throughout the supply chain as we seek to create a decarbonized society, with a goal of achieving carbon neutrality by 2050.

We will continuously assess the impact of climate change on our business and make efforts to mitigate and adapt to it. We will promote energy conservation, expand the use of cogeneration systems, adopt solar power generation, and procure electricity from renewable energy sources to help mitigate climate change. We will implement a variety of measures for this purpose throughout the lifecycle of our products. These measures include the development of environmentally friendly products such as fuel-efficient tires, prevention of damage caused by driving with low tire pressure, development and promotion of environmentally friendly services, green purchasing, and green logistics. The effects of climate change on our business may include the following: Damage to production facilities caused by the intensification of natural disasters such as torrential rain associated with rising temperatures; an impact on raw material procurement caused by factors such as soaring prices associated with poor harvests of natural rubber, a key raw material; and a decline in demand for studless tires caused by a decrease in snowfall. We aim to improve our ability to adapt to these impacts and strengthen our resilience by continuously managing risks.

●Circular Economy

We are a manufacturing company that uses a variety of resources. We will promote resource recycling throughout the operational process from procurement to disposal in order to use limited resources in a sustainable manner.

In the tire business, we have a “data ring” that provides new values by coordinating and leveraging data obtained in each of the value chain processes—planning and design, material development and procurement, production and logistics, sales and usage, and recovery and recycling—under the TOWANOWA (*ii) circular economy concept. We also have a “sustainable ring” to facilitate the circulation

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of goods and materials throughout the value chain processes, eliminate redundant resource consumption, and help realize a circular economy. We create new values by fusing these two rings. For example, we accelerate the development of sustainable materials, recycle limited resources for effective use, and use our proprietary Big Data such as SENSING CORE, to provide new values to customers. In this way, we aim to contribute to the realization of a sustainable, safe, secure, and comfortable society, as represented by the next-generation mobility society.

●Biodiversity

There is a risk that ecosystems may be impacted by our use of natural resources and chemical materials, as well as by the use of our products. We will strive to minimize the negative impact of our business activities and conserve and restore biodiversity so that the benefits of natural resources and ecosystems will be available to future generations.

We will disclose our initiatives in line with the four pillars of “governance,” “strategy,” “risk and impact management,” and “metrics and targets” as detailed in the TNFD recommendations. In accordance with the “locate, evaluate, assess, and prepare” (LEAP) approach, we will identify and assess environmental dependencies and impacts, as well as the risks and opportunities, with regard to our business and consider measures to address key issues. We will promote initiatives in the areas of biodiversity and nature, such as greening activities, conservation activities for endangered species, and efforts to reduce water usage.

●Environmental Management

We have obtained ISO 14001 Global Multi-Site Certification for environmental management. We will operate and implement an environmental management system in accordance with international standards to continuously improve our environmental targets through a “plan-do-check-and-act” (PDCA) cycle.

We will continuously monitor environmental factors created by our business activities (factors that may affect the environment) and abide by our internal standards, which are stricter than those required by law. Regarding chemical materials, we will properly manage them by taking into account their significant impact on health, safety, and the environment. As for resources, we will minimize their use and promote recycling to reduce waste.

In an effort to achieve these policy objectives, we will always consider the environment and act proactively with unique and creative ideas.

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*ii [TOWANOWA](#), a circular economy concept in the tire business