

A Message from the Executive Officer in Charge of Human Resources



Promoting Improvement of Our Organizational Culture and Operational Reforms through Dialogues with Employees

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Executive Officer, General Manager of the Human Resources & General Affairs Headquarters

“Valuing One Another,” “Seeking Out Challenge” and “Engagement” as Keys for Organizational Development

“Our Philosophy,” the Sumitomo Rubber Group’s corporate philosophy structure, defines the “SRI Way” as an important value that all employees should keep in mind. The SRI Way consists of three tenets: “Being reliable and worthy of trust,” “Seeking out challenge” and “Valuing one another.”

Of these, we place the greatest emphasis on “Valuing one another” from an organizational development perspective. This is so-called “mutual respect” that is to think and act out of respect for the feelings and circumstances of the other party. When each employee has this attitude, it improves human relationships in the organization and strengthens the connections between people, thereby increasing both organizational productivity and work quality. This also helps promote another of the SRI Way values: “Being reliable and worthy of trust.”

In addition, “Seeking out challenge” is also an important value for organizational development. Our Purpose states, “Through innovation we will create a future.” This is because taking on challenges is indispensable for innovation.

However, innovation is not only about creating something from nothing. It is also about scaling up from 1 to 10, or 10 to 100. Innovation

is the process of creating something by combining various ideas. This combination of ideas is more likely to be generated and accelerated rapidly in workplaces where the aforementioned “Valuing one another” is an important theme.

I recently came across an exemplary case of what we consider to be an excellent organization. Our factories are engaged in activities to improve safety and quality. On a regular quarterly visit to a domestic factory to receive reports on their initiatives, one of the teams delivered a fantastic report. Judging from the presenter’s demeanor and the content of the presentation, I could sense the quality relationships in their workplace and the great pride that the presenter took in belonging to this workplace.

This made me realize once again that a good organization must have highly engaged employees who are attached to the organization and act to solve organizational issues with a sense of ownership. I believe the ideal organization would be one in which such people demonstrate leadership, set tasks toward the desired state, and involve others in solving them.

Improvement of Our Organizational Culture and Operational Reforms as Two Key Components

Sumitomo Rubber has been aware of issues associated with our organizational culture, including an environment unsupportive of those taking on challenges, outdated leadership styles, boundaries inhibiting communications, and low productivity. Since 2020, we have annually conducted in-house questionnaire-based surveys regarding the status of our organizational culture in order to quantify the health of our organization in more detail.

However, the response rates from our manufacturing divisions had been low. As a manufacturing company, we needed data reflecting the actual situation more accurately in order to implement improvements that included the manufacturing divisions. When we examined why the response rates were low in the manufacturing divisions, one of the reasons was that the time spent answering the questionnaires was considered “a waste of time” that could drive up production costs. This

made them hesitant to answer. Therefore, response time was budgeted for each factory in 2023. As a result, the overall survey response rate, including the manufacturing divisions, has increased significantly from previous years to more than 90%.

Analyzing the results has revealed that there are significant differences in scores between workplaces. Therefore, a meeting was held between the plant managers of each base, the officer in charge of production, and the project secretariat of the Human Resources & General Affairs HQ to discuss what the scores of the survey results meant. Our stance regarding improvement measures is that we first encourage them to face and solve workplace issues on their own initiative. Going forward, we hope that each workplace will work autonomously to make improvements.

Furthermore, for issues that should be addressed by the entire Company, regardless of department, “Task Force Ambassadors” were

appointed from each workplace in 2020. Since then, they have been acting as project evangelists, motivating and directing our employees to improve our organizational culture. In total, more than 50 ambassadors took on this responsibility. These ambassadors have been renamed “Change Leaders” in 2024 and will serve as leaders in solving issues in their respective organizations in cooperation with the officer or general manager in charge.

We also established the “Business Transformation (BX) Headquarters” to improve operational efficiency, and I became its first General Manager. As business process reforms drive up productivity and as performance improves, employee engagement will also increase. We hope to create such a favorable cycle among the organization, human resources, and operations by addressing both organizational culture improvements and business process reforms.

Tackling the Assignment of Managerial Level Positions and Other Challenges

There are four issues to be addressed through our efforts to improve our organizational culture.

The first is the assignment of managerial level positions such as general managers and managers. One of the tasks of a manager is to set motivational themes and communicate with employees based on careful observation of each individual. The selection of the right personnel for this role, including their appointment and dismissal, is of utmost importance.

Therefore, the appointment and dismissal of general managers are discussed and determined not only by the relevant division and HR, but also by the Human Resources Committee (composed of internal Directors to discuss personnel matters for important positions). Of course, the decision is based on the results of the 360-degree feedback sessions of that person, the score from the organizational culture questionnaire, as well as his or her reputation within the Company. For the manager level, a framework of appointment and dismissal is under consideration. We believe that it is necessary for the officers in charge and HR personnel to discuss appointments and dismissals thoroughly by combining personnel evaluations with the 360-degree feedback and

organizational culture scores.

The second issue, related to the first, is the assignment of positions for women. To become a company where employees with diverse attributes and work styles can perform vibrantly, we must focus on creating and promoting female leaders. We are collaborating with the DE&I group to consider the appointment of female managers. The Human Resources Committee is also discussing the question of “Who will be the next-generation female talent?”

The third issue is to follow up on overseas talent. Initiatives to improve the organizational culture started in Japan, but the situation overseas remained untouched. Going forward, we plan to assess the current status of overseas human resources and identify issues.

In addition, the Company holds dialogue sessions in which top management and employees frankly share their opinions face-to-face. In 2024, we expanded this program not only in Japan, but also to our overseas bases, starting with Brazil. Overseas, there are many employees who are enthusiastic and interested in “Our Philosophy.” By engaging in high quality dialogue with them, we will enhance the sense of unity between the Company and its frontline worksites.

The fourth issue is to formalize and utilize case studies of turning points in management. Last year, we withdrew from two businesses: the business of rubber parts for medical applications and the gas hoses business. The business divisions in charge are well aware of the circumstances and causes that led to the withdrawal, but this is not the case for other divisions that are not directly involved. We should clarify why the two businesses were let go and share the lessons learned to utilize within the Company as a whole.

We will first discuss this measure among the Executive Officers, and then use the case studies to identify issues regarding the organization and how to proceed with projects. In particular, I would like to clarify issues related to human resources and organization, which is my area of responsibility. We are considering incorporating the results into training programs for managers and supervisors to be used for next-generation management personnel development and other purposes.



Putting Our Heart and Soul into Solving Organizational and Human Resource Issues

Companies have a going concern assumption, which is the assumption that they will always continue to exist. In order to continue operating, a company must be profitable in the long run and be recognized by society for its value. We want to be a company that is accountable to its stakeholders for short- and mid-term business performance and makes business judgments with an extended time axis, looking 10, 20, 50 years into the future, and even beyond.

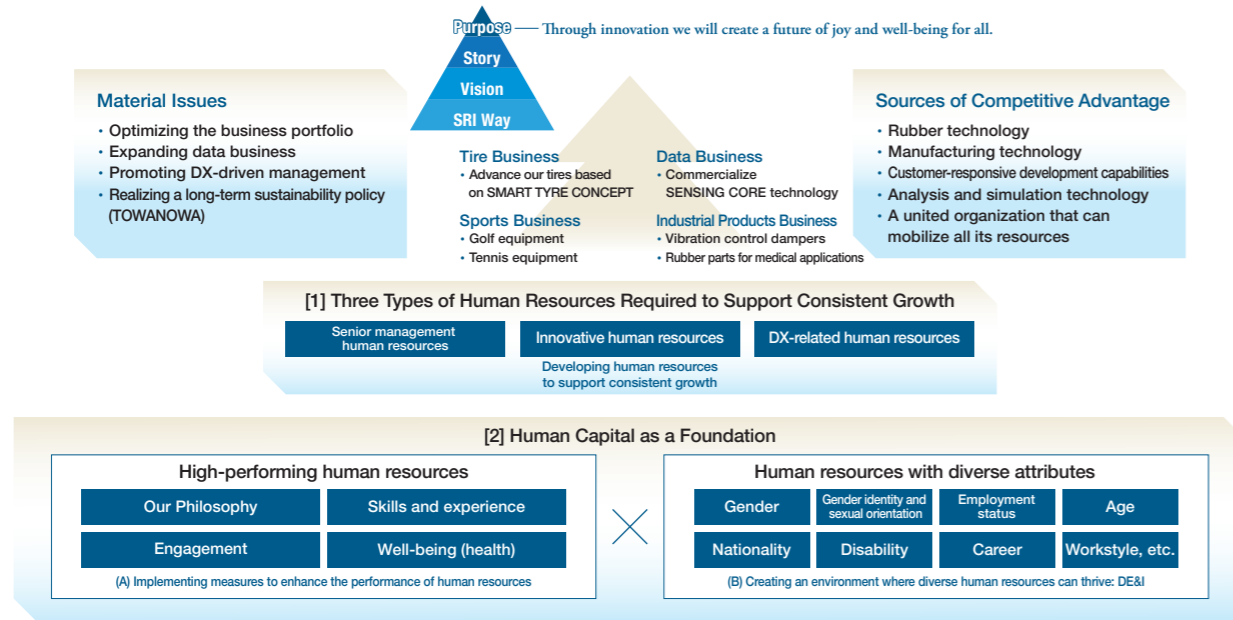
In order to establish an organization that drives us towards this goal,

we must thoroughly consider and discuss the nature of issues and challenges regarding the organization and human resources. Furthermore, it is crucial that we continuously explain the significance of the action plans for problem solving to those who implement them. We will put our heart and soul into these initiatives and promote the improvement of our organizational culture and operational reforms through dialogue with our employees.

Sumitomo Rubber Group's Human Capital Management

We are promoting human capital management to realize our Vision of what we want to be as an organization, "Uniting our diverse strengths, growing together, driving and thriving on change," 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." We are confident that we can provide joy and well-being for our stakeholders through innovation by mobilizing the collective efforts of our diverse human resources and leveraging the strengths of each employee to create value.

Sumitomo Rubber Group's Human Capital Management Vision



[1] Three Types of Human Resources Required to Support Consistent Growth

Developing human resources to support consistent growth

We promote various educational measures with the aim of developing human resources who can flexibly adapt to the rapidly changing times and pioneer the future.

- Initiatives to train senior management human resources
- Initiatives to train innovative human resources
- Initiatives to train DX-related human resources

P.64 Developing Human Resources to Support Consistent Growth

[2] Human Capital as a Foundation

(A) Implementing measures to enhance the performance of human resources

High performance from every employee is essential for the consistent growth of a company. We are promoting measures that enable our employees to feel fulfilled and be physically and mentally healthy to play active roles.

- Entrenchment of "Our Philosophy"
- Strengthening of engagement
- Accumulation of skills and experience
- Promotion of well-being (health) management

P.65 Measures to Enhance the Performance of Human Resources
P.66 Promoting health & productivity management

(B) Creating an Environment Where Diverse Human Resources Can Thrive: Diversity, Equity & Inclusion (DE&I)

We are promoting DE&I initiatives throughout the Group as we confront challenges to create an organization where diverse human resources can play active roles in their own unique way.

- Promoting women's empowerment
- Creating an organization where diverse human resources can play active roles

P.67 Creating an Environment Where Diverse Human Resources Can Thrive: Diversity, Equity & Inclusion (DE&I)

[1] Three Types of Human Resources Required to Support Consistent Growth

Developing human resources to support consistent growth

We have defined three types of human resources as important themes for human resource development. In this era of VUCA, where the future is uncertain and difficult to predict, "senior management human resources" are capable of rapid decision-making and leadership that can flexibly adapt to changes. "Innovative human resources" will continue to provide new value in the future, just as we have created innovations in society

based on rubber technology. "DX-related human resources" can create new value by utilizing digital technologies to promote more advanced and efficient decision-making and operations and by applying such technologies to business. We will strive to continuously develop these human resources to enhance our corporate value.

• Initiatives to train senior management human resources

With the aim of improving and unifying leadership at the senior management level, we have invited professional executive coaches from outside the Group to provide regular coaching to Executive Officers and above (and some CEOs of overseas local staff).

Specifically, we provide training on leadership, followership, and communication as knowledge input, and encourage output in terms of behavior. In addition, each year we provide 360-degree feedback sessions to all employees ranked assistant manager and above and officers including the President, giving them an opportunity to objectively and carefully review their own leadership style.

Leadership is also an important aspect in developing senior management human resources. To improve the leadership skills of all our employees, we emphasize a leadership improvement cycle that involves knowledge input, behavioral output, and feedback from others.

Through these measures, we are continuously working to improve leadership skills and develop senior management human resources.

• Initiatives to train innovative human resources

In order to foster innovation, we believe that in addition to building systems and cultivating an organizational culture, human resource development is extremely important. Based on this belief, we launched an innovative human resource development program in 2023.

around 400 people participated in total, including observers.

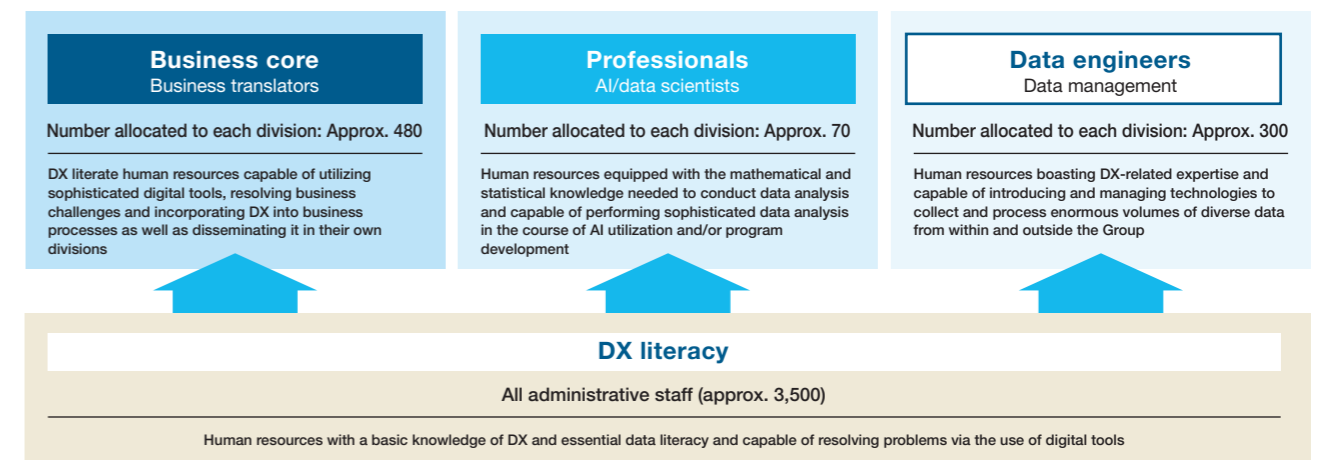
In the first year, 17 employees participated in the full program and

We received support from three universities from the planning stage to the actual hosting of the program, and conducted the program intensively over a period of about two months, including lectures to foster an entrepreneurial mindset and final presentations by each group.

• Initiatives to train DX-related human resources

In October 2022, we launched DX-related human resource training programs for all 3,500 employees in indirect divisions. We view DX literacy as a skill that every employee should possess universally, and we categorize individuals with more advanced skills as business core personnel, professionals, and data engineers, and train them accordingly. As we aim to crystallize various DX measures by 2025, we strive to complete the development of these human resources by that year to

establish foundations that will facilitate the transition of the entire Sumitomo Rubber Group to data-driven decision making and action. By the end of 2023, we had already exceeded our initial target and were able to conduct training for 2,220 employees. For the course for professionals, we implemented Project-Based Learning (PBL) in which students solve real workplace issues while learning. This helps students retain knowledge and promotes understanding of the workplace.



Sumitomo Rubber Group's Human Capital Management

Issue to Address: Human Resource Development

[2] Human Capital as a Foundation

(A) Measures to Enhance the Performance of Human Resources

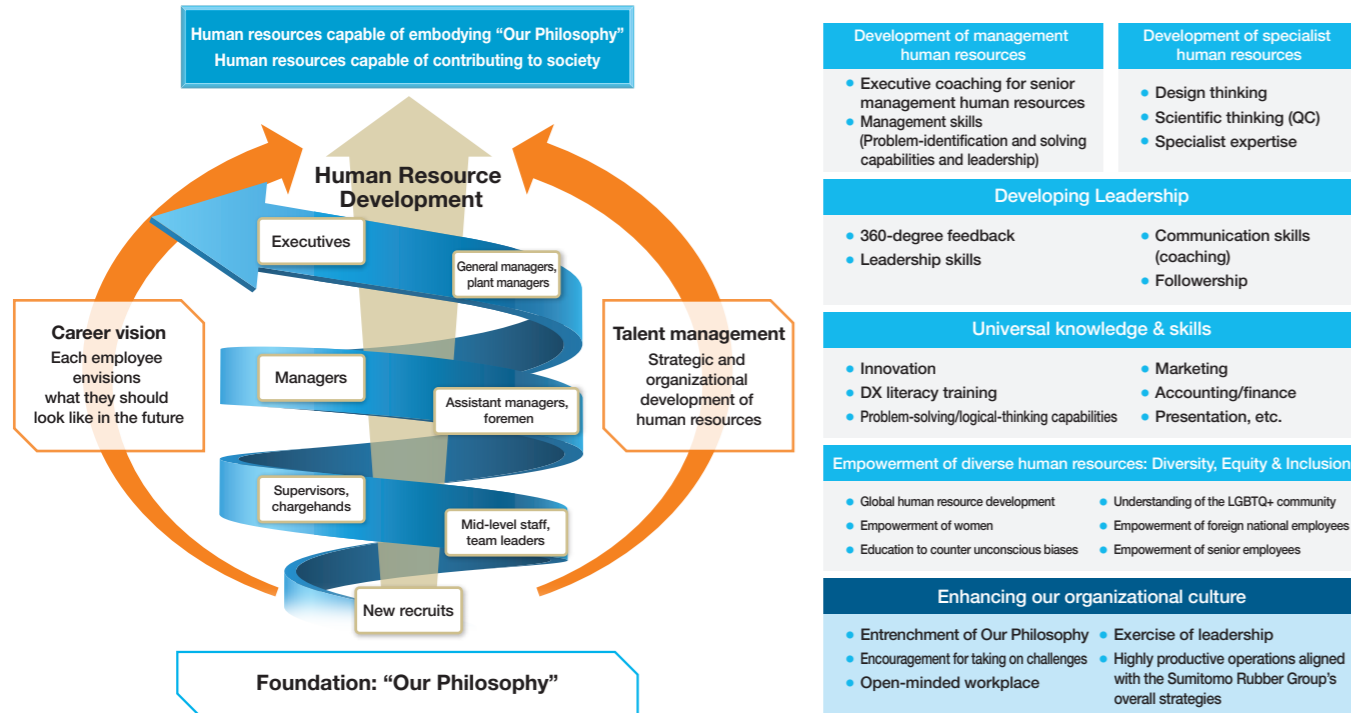
The Sumitomo Rubber Group aims to realize a working environment and organizational culture that encourages diverse human resources to spontaneously develop their careers and competencies and empowers them to earn success. To this end, we are implementing a variety of measures. In these ways, we will nurture human resources capable of exercising forward-looking judgment ahead of changes in the environment, earning success on the global stage, contributing to society and thereby embodying "Our Philosophy."

Specifically, we have positioned talent management as a priority measure in terms of the strategic and organizational development of human resources. Accordingly, we have expanded the scope of talent management to include a wider range of human resources. We have

clarified the requirements for human resources in each position and help establish skill enhancement goals for individual employees. In line with these goals, we implement necessary measures, including training programs, personnel transfer and personnel relocation in addition to assigning employees to particular projects and otherwise providing them with opportunities to broaden their range of job experience. By doing so, we promote the development of human resources over the medium to long term.

Meanwhile, we are expanding career vision training for all levels of employees to help them envision their future careers. Career design education and talent management thus constitute the two key components of our human resource development initiatives.

Human Resource Development Vision



Accumulation of Skills and Experience through Grade-Specific Training and Activities to Disseminate Our Philosophy

The training system includes grade-specific training programs that help acquire mindsets and skills necessary for each grade. It also focuses on helping employees realize their talent development goals and future career visions. For example, we provide them with abundant opportunities for spontaneous learning, such as optional skill enhancement training, e-learning and correspondence courses. In addition, we widely implement

education necessary for all employees, such as the entrenchment of "Our Philosophy" and the development of leadership in order to create a unified language of communication within the organization.

Through these initiatives, we are developing an environment that allows all employees to attain ongoing personal growth.



Leadership training for newly appointed general managers



Our Philosophy training

Talent Management

The Sumitomo Rubber Group has positioned talent management as a priority measure in terms of the strategic and organizational development of human resources.

Specifically, we are identifying key positions and have already begun an initiative in some divisions to quantitatively visualize human resources using assessments and other means.

We will expand this initiative to the entire Group in stages and make it

• Strengthening of engagement

Since 2019, we have striven to enhance our organizational culture by promoting a project that implements 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

the core of Group-wide human resource development, including the assignment of appropriate personnel for each position and the development of successors for senior management human resources.

Going forward, to meet our human resource portfolio requirements aligned with management and division strategies, we will utilize digital tools (HR information management system) to establish a foundation for talent management, enabling systematic human resource development.

Groupwide strategies." In addition, we have been conducting questionnaires on organizational culture regularly since 2020 to quantify the progress of organizational culture transformation through our activities, and we have been disclosing the results to all employees. We will continue to advance our activities with the aim of growing our organization sustainably and improving our business performance.

Issue to Address: Promotion of Well-Being Management

• Promoting Health and Productivity Management

Having announced the "Health and Productivity Management Declaration" to internal and external stakeholders, we have promoted health and productivity management by rallying all business units across the board, while the Company, employees, the labor union and the Health Insurance Association act in collaboration to the same end.

Furthermore, we aim to gear up our efforts to promote health and productivity management by identifying seven priority targets that comprise two long-term priority targets of "Strengthening the

Occupational Health System" and "Cultivating Culture of Health" as well as five short- to medium-term priority targets, including "preventing serious symptoms," "improving lifestyle habits," "tackling mental health-related issues" and "improving labor productivity."

The Sumitomo Rubber Group Health & Productivity Management Declaration https://www.srigrp.co.jp/english/sustainability/genki/kindness/02_3.html

Improving Lifestyle Habits, Preventing Second-Hand Smoking, and Promoting Smoking Cessation

We have enacted a total ban on smoking within the premises of all business bases in Japan from January 2024 onward.

Prohibitions related to smoking, such as "no smoking on the premises" and "no smoking during working hours," have been added to our employment regulations and other rules and regulations. Meanwhile, in addition to continuously subsidizing outpatient smoking cessation treatment, we are expanding subsidies to an even broader range of

anti-smoking medication (e.g. nicotine patches) as well as supporting smoking cessation through occupational health staffs (occupational health physicians and occupational health nurses). Moreover, we hold events and campaigns to encourage smoking cessation at each business base in Japan. As such, we are developing an environment supportive of those striving to quit smoking, with all business units across the board working in unison to prevent second-hand smoking and promote smoking cessation.

Tackling Mental Health-Related Issues

Employees' mental health issues have a significant impact on labor productivity and organizational vitality. For the priority target of "tackling mental health-related issues," a Line Management Mental Health Care Seminar (Line Care Seminar) was held for the first time in three years as a group-style training (in a hybrid format with online participants) and an online self-care seminar was also conducted as usual. The Line Care

Seminar helped managers and supervisors improve their knowledge and skills regarding mental health through seminar content that included group work activities on individual support for subordinates and workplace improvements. The self-care seminar was conducted with the aim of improving each employee's self-care skills.

Recognition from Outside Organizations

In 2024, we were chosen for the eighth consecutive year by the Ministry of the Economy, Trade and Industry as well as the Nippon Kenko Kaigi (Japan Health Council) for certification as an excellent company under the "2024 Certified Health and Productivity Management Organization Recognition Program—White 500." We were also certified by the Japan Sports Agency for the second time as a "Sports Yell Company" under the agency's 2024 selection program in recognition of our corporate initiatives to support and popularize sports activities among employees to help them improve their health.



Sumitomo Rubber Group's Human Capital Management

Materiality (Material Issues): Promoting Diversity & Inclusion

(B) Creating an Environment Where Diverse Human Resources Can Thrive: Diversity, Equity & Inclusion (DE&I)

We are working to promote DE&I under our Vision of "Uniting our diverse strengths, growing together, driving and thriving on change," another component of "Our Philosophy," which defines our ideals regarding what the Sumitomo Rubber Group should look like. Everyone is treated fairly

• Promoting women's empowerment

We believe that an organization in which women can play active roles is what allows diverse human resources to thrive, regardless of gender or other attributes. We consider the promotion of women's empowerment to be the first step toward DE&I and have been discussing and advancing relevant measures in this regard. There are still many issues to be

Top Management's Commitment

Strong commitment by top management is important to advance DE&I, including the promotion of women's empowerment. The Representative Directors participate in the "Male Leaders Coalition for Empowerment of Women" (Secretariat: the Cabinet Office), and communicate both internally and externally our determination to accelerate efforts to promote gender equality and women's empowerment.

Dialogue with Senior Management

In promoting DE&I, we actively hold study sessions and dialogue with senior managers to continuously discuss how to incorporate and utilize DE&I in our management strategy. In 2023, we set up a lecture and discussion panel on DE&I promotion led by our Outside Directors and Outside Audit & Supervisory Board Members, and in 2024, we invited outside lecturers to hold study sessions. We are working to ensure that senior managers keep updating the latest information on DE&I so that it can be used to make prompt and appropriate business judgments.

Mentoring System

We promote a mentoring system in which experienced employees listen to the career and day-to-day concerns of junior employees in other divisions to encourage self-reflection. These mentors are trained by outside professional mentors, which also contributes to leader development.

Training Female Executives

We not only train potential management-level candidates but also strive to produce female top management. In 2023, we participated in the Kyoto University Women's Executive Leadership Program as a regular corporate member. This has allowed several female general managers to acquire the necessary knowledge for management and promote networking with external parties.

Creating a Women-Friendly Frontline Worksite

As a manufacturing company, it is important for us to create and shape manufacturing sites where women and other diverse human resources can work comfortably. In 2023, a project team with members from different factories led an initiative to address issues such as upgrading women's restrooms, locker rooms, and other welfare facilities and reducing on-site workload in order to improve the workplace.

and with mutual respect, uniting their diverse strengths to create new value. To create such an ideal organization, we will discuss and promote measures to address various issues.

resolved, ranging from visible issues such as the ratio of female managers to invisible issues such as gender role awareness and gender bias. We will address each issue with sincerity to create an organization where everyone can shine, not just women.

行動宣言
多く女性の活躍を加速する
男性リーダーの会



Message from the President and CEO, Representative Director Yamamoto on Women's Empowerment

"I want to create opportunities and an environment for women to develop their careers, uncover brilliant potential, and polish it to bring out the best in them. I believe that promoting women's empowerment will help us shape a company where diverse human resources can flourish and provide better value to society."



President Yamamoto discusses DE&I with Outside Directors and Outside Audit & Supervisory Board Members

Promoting Women's Empowerment in Local Communities

In an effort to promote a climate of women's empowerment in the Kobe area, where Sumitomo Rubber Industries is headquartered, our Company and two other Kobe-based manufacturing companies held a networking event for female engineers. We held a second networking event in 2024, following the one in 2023. It was also a success, and we are considering continuing the event with the other two companies in the future. Instead of keeping DE&I promotion activities a solo effort, we will contribute to the promotion of DE&I in society as a whole through co-creation with other companies.



The second networking event for female engineers

• Creating an organization where diverse human resources can play active roles

DE&I is the foundation for creating an organization and workplace where each individual can work with confidence and be their authentic self. In addition to promoting women's empowerment, we are working on various

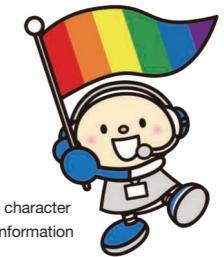
Promoting Understanding of Unconscious Biases

Becoming aware of one's own unconscious biases is an important part of DE&I promotion. In addition to providing unconscious bias training to all levels of employees on a continuous basis, we have established a Group-wide questionnaire to check and quantitatively monitor the effectiveness of the training throughout the Group. In 2024, we plan to expand unconscious bias training to employees on the manufacturing front lines in order to strengthen the foundation for accepting and promoting diversity.

measures to create an organization in which employees with diverse backgrounds can realize their full potential.

LGBTQ+ Related Initiatives

We continue to hold activities to learn about and understand LGBTQ+ and other sexual minorities and are promoting efforts to increase allies. We also conduct interview training for hiring staff and provide education to HR and general affairs personnel of affiliates. In 2023, we launched an internal community to deepen understanding of LGBTQ+ and we are working to create a workplace where we can all be ourselves.



"Chabo" the chatbot, a cartoon character created to communicate DE&I information

Fiscal 2023 Targets and Results, Recognition from Outside Organizations

We regard the ratio of female managers and the percentage of male employees who took childcare leave as important indicators of DE&I promotion. We have identified the gap between the target and current figures to develop and implement each measure. To increase the ratio of female managers, in addition to the aforementioned measures, we are promoting the creation of a working environment that is friendly to diverse people by enhancing systems and benefit packages that support work-life balance and reviewing work styles to correct a work culture that expects

employees to work excessive hours. Promoting childcare leave for male employees is one of these important measures. We have started a trial paid leave system for childcare in 2024 to further advance this initiative. We believe that creating a workplace that can continue to operate no matter who takes time off will create a highly productive and strong organization and promote growth into a company where diverse people can play active roles.

	Fiscal 2022 results	Fiscal 2023 results	Target	
Ratio of Female Managers	3.8%	4.3%	By end of 2025 7%	[Reference] Percentage of female employees among full-time employees: 11% (as of December 31, 2023)
Percentage of Male Employees Who Took Childcare Leave*	69%	85%	By end of 2024 100%	* Figures include leave taken under the Company's own system for childcare-related leave

Recognition from Outside Organizations

We have gradually started to receive recognition from outside organizations thanks to various DE&I-related measures and initiatives. In fiscal 2023, we received the D&I Award Best Workplace for Diversity & Inclusion and were certified as a Women's Empowerment Business under a joint program by Hyogo Prefecture and Kobe City. In addition, we

attained a "Gold" rating on the PRIDE Index, which evaluates a company's initiatives regarding sexual minorities, for the second time after receiving the rating in 2022. We will use the various recognition and certifications as indicators to further promote measures.



Initiatives Related to Respect for Human Rights

Basic Perspective

Our Operating Environment

The Sumitomo Rubber Group owns production bases and sales networks around the world and operates business globally. Natural rubber, which is the raw material used in our products, is listed as a product that poses a risk of forced labor and child labor in various reports and websites published by international organizations such as the ILO, UNICEF, and

OHCHR. However, we are determined to operate our business appropriately in this environment, recognizing our responsibility for identifying and addressing the risk of potential human rights violations in our business, including the value chain.

Responsibilities of the Sumitomo Rubber Group

The Group recognizes the gravity of the content described in the Universal Declaration of Human Rights as well as the ILO Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) as something we must uphold. We also promote human rights initiatives in accordance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact, we also support its ten principles. In

“Our Philosophy,” a corporate philosophy structure, we define our Purpose as “Through innovation we will create a future of joy and well-being for all.” In order to operate business activities that embody our Purpose, we understand our impact on the human rights of various internal and external stakeholders and strive to ensure that human rights are respected in all processes along the value chain, from procuring raw materials to providing products and services.

Establishing a Human Rights Management System

The Human Rights Subcommittee was established as one of the working groups under the Sustainability Promotion Committee. We have established a system in which all relevant divisions, including those at

overseas bases, can participate and follow up on each division’s human rights risk survey, risk identification, and countermeasure status.

 P.84 Sustainability Management Structure

Practicing Human Rights Due Diligence*

Policy

In 2023, we formulated the Sumitomo Rubber Group Human Rights Policy, which clearly states the Group’s overall stance and approach regarding human rights. Not only our officers and employees but also our suppliers and Group companies are informed of our policy and are expected to understand and comply with it. We have also established the Procurement Guidelines to promote human rights initiatives throughout the value chain.

 Procurement Guidelines

https://www.srigroup.co.jp/sustainability/genki/governance/pdf/procurement_guidelines_en.pdf

Identifying and Mitigating Risks

In 2024, we will identify human rights risks that we should prioritize based on the framework of the United Nations “Guiding Principles on Business and Human Rights” as well as input from outside experts.

* A series of actions in which a company identifies human rights risks in its business operations and explains and discloses information on the effectiveness of its efforts to prevent and mitigate such risks as well as the measures taken to address them

Human Rights Due Diligence Initiative Schedule



Roundtable Talk on DE&I



True DE&I Enables Individuals to Shine and Demonstrate Their Full Potential

The concept of diversity, equity, and inclusion (DE&I) is not just limited to the empowerment of women. Although empowering women is one of its starting points, the end goal is to link employee growth to business growth by establishing a foundation for the empowerment of a diverse range of human resources. President Satoru Yamamoto, Outside Director Mari Sonoda, and Outside Audit & Supervisory Board Member Asli M. Colpan sat down to discuss the Company’s DE&I vision, challenges, and initiatives.

Satoru Yamamoto
President and CEO, Representative Director

Mari Sonoda
Outside Director

Asli M. Colpan
Outside Audit & Supervisory Board Member

DE&I Begins with a Commitment of Top Management

Yamamoto The Sumitomo Rubber Group handles cutting-edge rubber technologies and we have produced many Japan-first and world-first products. We have inherited this pioneering spirit and willingness to take on challenges, and going forward, we want to create new value. Therefore, we recognize that promoting DE&I is an important step toward achieving this.

Our Philosophy states our Purpose as “Through innovation we will create a future of joy and well-being for all.” It also contains a Vision that enables us to embody this Purpose, which is “Uniting our diverse strengths, growing together, driving and thriving on change.” I am confident that if we bring together the abilities of our diverse workforce in a way that empowers individuals to shine and ensures mutual respect, then we will be able to provide stakeholders with greater joy and well-being.

Sonoda Looking back over the last year, I would first like to say that President Yamamoto has demonstrated a firm commitment to DE&I. The number of Board of Directors discussions that are rooted in DE&I has increased and I feel that the attitude toward DE&I shown by officers has shifted from “Why?” to “How?” Progress is being made on encouraging men to take childcare leave and promoting women into management positions. Also, improvements to factory workplace environments that we have been requesting for some time have started. Furthermore, a lot of

women employees and young employees, who were rarely involved in decision-making in the past, are participating in the “Be the Change” Project, which is creating an atmosphere that facilitates exchanges of opinion that transcend organizational barriers. This has not only raised employee motivation, but also led to profit contributions.

 “Be the Change” Project P.13

Colpan One change we have seen this fiscal year is an increase in the number of women among outside officers to three. The Company is looking to raise its percentage of management positions held by women to at least 7% by 2025, and I think we should create a target for top management positions as well. In the medium to long term, we need to formulate targets for the number and proportion of women in manager and general manager positions, create a career ladder, and then analyze what we need to achieve these targets. I feel that it will be essential to promote female employees using various internal and external programs and support measures.

Yamamoto It is reassuring that DE&I initiatives are being advanced under the lead of a team in charge. I am promoting it while still learning about the subject myself. I would like to continue to educate myself and show even stronger leadership.

Roundtable Talk on DE&I

As you both say, the empowerment of women and young employees is essential. We have switched the framework for our efforts from D&I to DE&I. Naturally, empowering women is a key issue from an equity perspective. Women are the largest minority within the Company so if we can create an environment that empowers women, it will also create a more friendly and empowering working environment for other minorities and for the men who make up the majority of workers.

Sonoda We should be aiming to be a company where not only women, but also fathers who are rearing children, people with illnesses, people with parents who require nursing care, and other employees with specific needs, can take advantage of various systems to enjoy a dynamic

Systems and Programs to Boost Employee-Friendliness and Development

Yamamoto Last year, I had the opportunity to exchange opinions with Ms. Sonoda and Ms. Colpan at a study session for officers. During this session, Ms. Sonoda said “Child-rearing is a career,” which made a strong impression on me. If men are able to take childcare leave and become more involved in parenting, it not only builds stronger partnerships, but also cultivates a sense of imagination that is more empathetic to people and society.



Sonoda Working at a company generally involves doing a single task efficiently, but parenting usually involves handling many different tasks at the same time. It is an excellent way to develop multitasking management ability.

Yamamoto We need environments where people can take childcare leave without creating personnel shortages that hinder operations. I think it is important that people feel able to ask for support when there is something they cannot do by themselves. Nobody is perfect, we all have some weakness. Within the Company, many of our employees tend to take their jobs very seriously, which can make it difficult for them to ask for help easily. Therefore, we need to show interest in our colleagues' work and support one another as a team. To realize environments where you can ask for help. This is the organizational vision that we are really aiming for.

Sonoda In regard to environments where operations can continue even if

working life. Currently we are advancing DX on a company-wide basis and I think this has an important connection to realizing more employee-friendly environments and developing human resources.

Yamamoto It is embarrassing to admit, but we still have many employees working long hours. To create employee-friendly working environments, we have to correct long working hours as a priority issue. Therefore, we need to use DX to make work operations more efficient and advanced. If we can improve time efficiency through DX, employees will be able to enjoy better work-life balances and focus on the work they really want to do. Right now, we are determinedly advancing DX with the goal of completing structural reforms by 2025.

someone is away, childcare leave is usually scheduled so there is a certain amount of flexibility. However, some situations happen without warning, such as collapsing from illness or a parent needing nursing. There is a tendency among Japanese people to try and endure, so they often end up overdoing it at work despite illness, or quitting their job because they feel a responsibility to provide nursing care. Both of these instances have a negative effect on both the individual and the workplace. In the coming times, I feel that organizations that do not have the structural ability to respond to personnel absences will not be able to survive.

Yamamoto Touching on the empowerment of women, I am a member of the Cabinet Office's Male Leaders Coalition for Empowerment of Women. At the coalition, I have made a declaration that states, “We will discover women with potential and provide career opportunities that empower women and environments that facilitate work-life balance so that they shine even brighter. We believe that proactively creating career opportunities and environments that empower women will lead to corporate cultures that empower diverse workforces and realize companies that have higher productivity and greater corporate value.” In 2021, we introduced a mentoring system at the Company and now 51 employees are active as mentors. Also, as part of efforts to identify and develop women as candidates for upper management positions, last year we appointed five women as general managers. I think this is a positive result.

Colpan I feel that President Yamamoto has not only made a commitment, but has also turned it into real action. In regard to developing candidates for upper management positions, as you just mentioned, we established a Women's Executive Leadership Program at Kyoto University last year. Two female employees from Sumitomo Rubber Industries are participating. This has been well received and I feel I was also able to contribute.

It will take time to raise the percentage of management positions held by women, first in manager positions, then general manager positions, and then finally as officers. To speed this process up, we need leadership from above. I think we need to take advantage of a wide range of programs, including the Kyoto University program and the mentoring system.

What is Diversity to a Global Organization?

Yamamoto The Sumitomo Rubber Group operates as a global organization, so it is essential that we grow with global personnel as our core workforce. Last year, we held a meeting called “Global Summit” in Japan, gathering the CEOs of overseas Group companies. It produced great results. Previously communication had been channeled through Japanese expatriates, so changing this to direct communication raised the speed and quality of decision making.

Colpan As President Yamamoto said, efforts to make our workforce more diverse in terms of nationality have been advanced. On the other hand, I feel that inclusiveness has yet to be fully realized. Rather than thinking of certain colleagues as employees from overseas subsidiaries, it is important to think of them as fellow Sumitomo Rubber Group employees. Therefore, I would like there to be more opportunities for overseas colleagues to come to Japan and participate in meetings. Raising English-speaking ability and realizing direct communication is standard for a global organization.



Sonoda I think there are two approaches we need to take as a global organization. One is to entrench our Purpose and Vision at overseas locations and develop models that leverage the characteristics of our philosophy. The other is to develop human resources who can thrive in overseas markets and transactions. These mean that it is important to have diversity and organizational capabilities. A group of similar people will only produce similar opinions, while a diverse group will produce diverse opinions. Ideas for the future will be found within these diverse opinions. Additionally, risk management is extremely important for globalization.



In an international environment, Japanese companies have to face dangers they have never experienced before. It is difficult for a homogenous organization to spot a risk at an early stage, consider what to do, and resolve it quickly. Therefore, it is important to be an organization that empowers diverse human resources in order to stay sensitive to risk and to deal with it swiftly.



Yamamoto Since we started promoting DE&I, I have started noticing that internal meetings often comprise the same people and there are not many women and young people among them. In order to build a strong organization, I feel it will be important to have more diverse members in these meetings and to empower them to speak. It will be an opportunity for me to get to know more employees and for the employees themselves, gaining experience of big meetings is an opportunity for growth.

We recognize that the way we have categorized diversity in the past, with a focus on experience and attributes, is just a waypoint. True DE&I means that every Group employee is respected as an individual and empowered to demonstrate their full potential and shine. I would like to find people who are fulfilling their potential and share them with all our Group employees. I would like to shine the spotlight on them so their brilliance is also recognized by their colleagues. Therefore, it is the responsibility of management including myself to build frameworks, develop people, and foster a culture that enables this. Speaking to you both today has reaffirmed my resolve. I will be proactive in recognizing my unconscious biases, fostering proper psychological safety grounded in discipline, and creating workplaces where everyone can participate freely and openly.