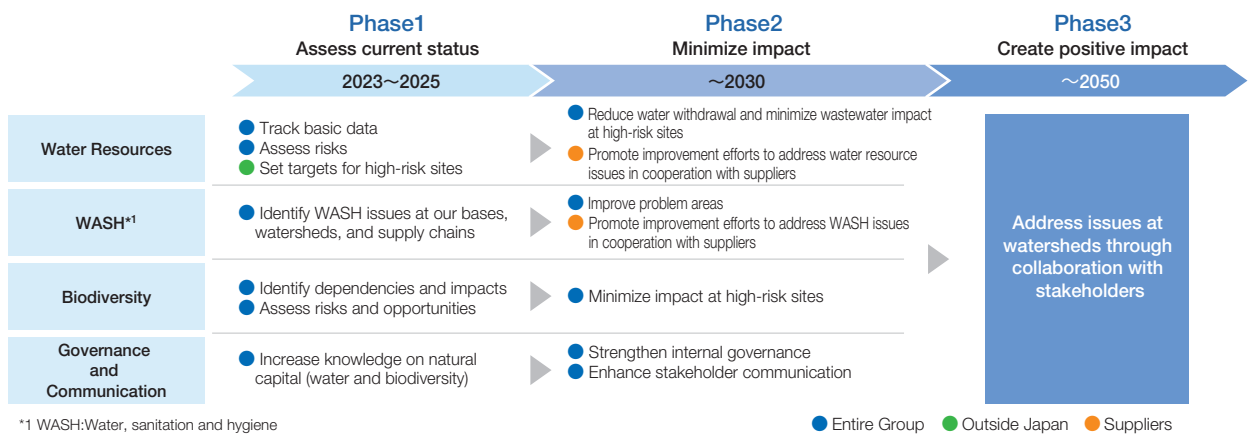


Natural Capital

Our policy

In 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published version 1.0 of its recommendations and the Science Based Targets Network (SBTN) published version 1.0 of its guidance for setting Science Based Targets for Nature (SBTs for Nature), which clearly set out the role that companies must play for nature: avoid and reduce the impact of their business activities, and regenerate and restore ecosystems. We recognize that our operations depend on natural capital including natural rubber and water resources, and that we as a company have a significant impact on nature. In 2023, we established a long-term roadmap that guides our operations onto a sustainable footing by assessing the current status of the locations where we operate, minimizing our negative impact on nature, and creating a positive impact.



Addressing nature-related risks and opportunities

While continuing with the work on water resources that began in 2023, we started assessing the current status of WASH (water, sanitation and hygiene) and biodiversity in 2024.

Addressing water resources

In 2023, following the Aqueduct assessment that found our Chinese operations to be high risk for water depletion, we set a target of reducing water withdrawal intensity at our bases in China by 10% by 2030 compared to the 2023 levels.

Water Depletion =
$$\frac{\text{Total water consumption in the basin}^{*2}}{\text{Volume of usable water in the basin}^{*3}}$$

*2 Water consumption: The amount of water withdrawn that cannot be reused

*3 Volume of usable water = Volume of water resources in the basin – Volume of water consumption from the basin

Addressing WASH

There are wide-ranging factors contributing to WASH issues from water resource scarcity and water pollution to a lack of sanitation facilities. In order to gain a clear understanding of the WASH challenges faced in our bases, their watershed areas and supply chains, we have started gathering and sorting information on WASH in the

By continuing the program of facility improvements to maximize the recycling and reuse of water used in production processes as well as implementing water withdrawal management with a focus on raising awareness of the importance of natural capital through measures such as section-level target-setting, we have reduced water withdrawals per unit of production from 7.7 (m3/t) to 7.1 (m3/t) in 2024. This represents 8.0% of the 10% reduction target for 2030. At our key global bases where the water depletion risk was not deemed high, we will continue monitoring causes of water withdrawal fluctuations, gathering more and better data on water discharge volumes and quality and conducting risk assessments.

locations associated with our operations. The insights gained through this exercise will be used to implement improvements where WASH issues are present, with an approach that seeks harmonious coexistence with local communities that live on the natural capital we draw from.

Understanding access to safe drinking water and sanitation (drainage and sewage management)

We have looked into the ratio of the population that has access to drinking water and sanitation facilities that meet a certain service level*4 in countries where our production bases are located. Our findings show that a relatively small proportion of the population has access to drinking water in China and Thailand and to sanitation facilities in Serbia and Thailand.

Going forward, we will conduct studies focusing on the local areas of our production bases and review what WASH issues to be addressed, including the expected future trends. Where we find significant WASH-related problems, we plan to develop and implement a program of improvement.

*4 Monitoring data from the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) was referenced and service levels assessed using the WHO/UNICEF recommended methodology based on factors such as the condition of facilities, treatment process and access time.

Country	Population with access to drinking water (%)
Japan	90-100
China	40-50
Malaysia	90-100
Thai	40-50
America	90-100
Serbia	80-90

Country	Population with access to sanitation facilities (%)
Japan	90-100
China	80-90
Malaysia	90-100
Thai	60-70
America	90-100
Serbia	60-70

Addressing biodiversity

Guided by the approach recommended by the TNFD, we have started assessing the dependency and impact of the business activities of our production bases and supply chains on natural capital including biodiversity, as well as the state of natural capital where our activities are located.

Dependency and impact of the activities of our production bases and supply chains on natural capital

Using the tool recommended by the TNFD for assessing dependencies and impacts on natural capital (ENCORE*5), we have conducted assessments of the dependencies and impacts of our business activities based on the actual processes they involve and identified areas of relatively high dependency and impact as shown in the table below. This exercise has revealed that the

Company's manufacturing activities and the chemical processing of natural rubber in the upstream rely heavily on nature's services to supply purified freshwater, and that their water and land use, as well as their waste discharge and disturbances (such as noise and light), impact nature significantly.

*5 A tool that helps users to examine their exposure to nature-related risks and understand their dependencies and impacts on nature.

Dependencies/Impacts			Dependencies													Impacts					
Category			Provisioning services		Regulating and maintenance services								Cultural services		Re-sources	Changes in use	Emissions and discharges				
Sub-category			Biomass provisioning	Freshwater provisioning	Other provisioning	Global climate regulation	Rainfall pattern regulation	Soil and sediment retention	Solid waste remediation	Water purification	Water flow regulation	Flood mitigation	Storm mitigation	Biological control	Education, scientific and research	Spiritual, artistic and symbolic	Water use	Area of land use	Emissions of toxic pollutants	Release of solid waste	Disturbances (noise, light)
Operational stages	Upstream	Chemical processing of natural rubber																			
	Direct operations	Tire manufacturing																			
		Automotive part manufacturing																			

Dependency/impact level High Moderate Low

State of natural capital where our manufacturing operations are located

We are conducting assessments of the state of nature in the local areas around our production bases and processing plants for the relatively high dependency/ impact categories identified above. Some of the assessment results for tire production are shown in the

heatmap below, which shows the level of dependency/ impact of each tire production base on different ecosystem services.

Production bases (tire manufacturing)

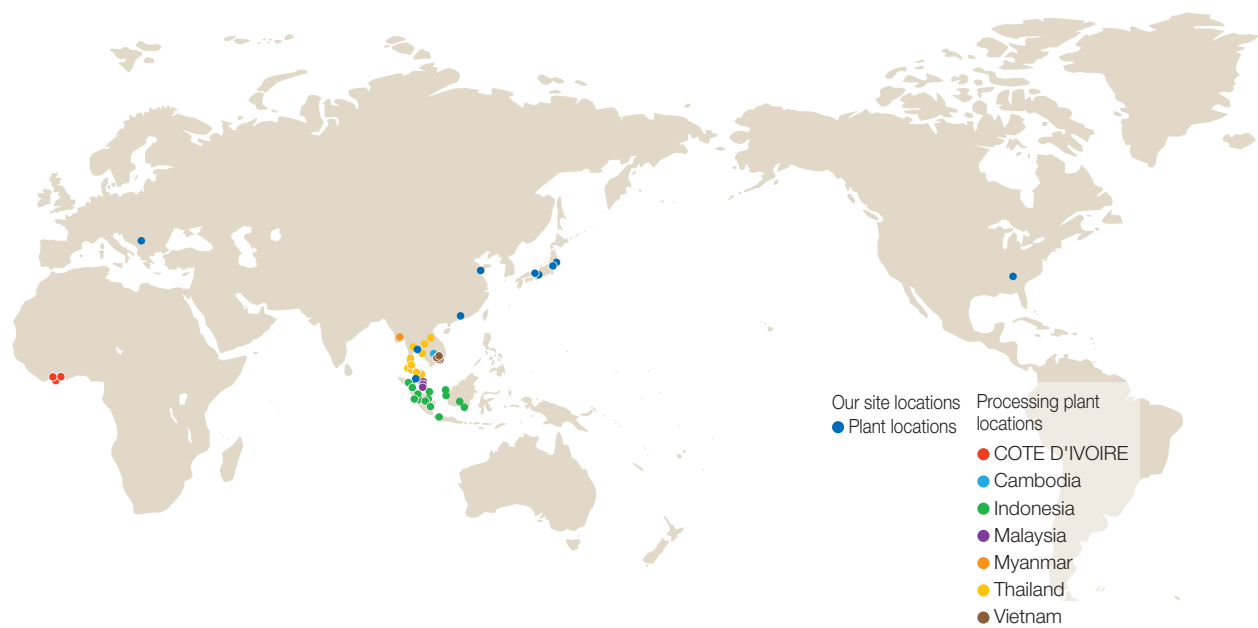
Production base (tire manufacturing)	Dependencies			Impacts				
	Water provisioning	Water purification	Maintenance of healthy water cycle	Water use	Emission of air pollutants	Emission of toxic pollutants to water and soil	Release of solid waste	Disturbances (e.g., noise, light)
Japan (Sendai)								
Japan (Sendai)								
Japan (Sendai)								
North America								
China								
Malaysia								
Serbia								

Assessment tools: WWF Biodiversity Risk Filter, WWF Water Risk Filter, Aqueduct, and Integral Biodiversity Assessment Tool

We will continue expanding the scope of our studies while conducting assessments of ecologically sensitive areas in order to identify priority areas for improvements and appropriate measures to implement. We will

also ensure that timely disclosures are made to our stakeholders.

Our bases and rubber processing plants



Human Rights

Our policy

The Global Human Rights & Labor Policy introduced in January 2019 sets out our clear commitment that, as our business globalizes and our stakeholders diversify, the Toyo Tire Group strives to carry out its business in a way that respects the human rights of everyone involved in our corporate activities, including those in our workplaces, at our suppliers, and within the communities where we operate, contributing to creating an inclusive society.

We also engage with our suppliers to ensure that they understand our policy and encourage them to work with us to fulfill our common corporate responsibility to uphold human rights.

Global Human Rights & Labor Policy

Organizational responsibilities (April 2025)

The Corporate Headquarters takes the lead in driving activities and holding discussions relating to the promotion of human rights, as well as maintaining a robust system for preventing human rights violations in day-to-day operations. Human rights-related activities are subject to the Sustainability Committee's oversight through progress reporting, review and approval.

Human rights due diligence

In accordance with our Global Human Rights & Labor Policy, we conduct human rights due diligence to identify and address any adverse human rights impacts (human rights risks) within our own business activities and our supply chain.

In 2023, we worked with external experts to identify important risks related to business and human rights.

Identifying important risks

1 Identifying human rights risks

We identified relevant human rights risks by surveying each of our division headquarters to understand the business characteristics that are linked to risks, and comparing these with risks considered inherent to our industry based on reports and recommendations of prominent international institutions and organizations, as well as actual cases of risk that have manifested within the industry.

2 Assessing the significance of human rights risks

All identified relevant human rights risks for each type of rights holder (those whose human rights are at risk of being adversely impacted) were scored by severity (the level of harm should an incident occur) and likelihood (the ease of manifestation within the Group). The significance of each risk was then assessed, with more weight given to severity in accordance with the UN Guiding Principles on Business and Human Rights.

3 Identifying important human rights risks

The results of this assessment were used to identify important risks of priority to the Group.

Identified important risks

Rights holders	Important risks	Our policy
Group employees, job applicants	Lack of health & safety at workplaces	Strengthen initiatives using occupational health & safety management system
	Forced/compulsory or child labor	Discover any current forced/ compulsory or child labor, build systems to eliminate
	Power harassment or discrimination	Enhance training on preventing harassment and discrimination
	Discrimination against candidates in hiring interviews	Expand training materials for employees in charge of interviews
	Long working hours, excessively strenuous work	Strengthen efforts to secure necessary personnel and improve productivity
Manufacturing contractors, distributors	Lack of workplace health & safety at manufacturing sites	Accelerate efficient logistics initiatives (distributors)
	Forced/compulsory or child labor, long working hours, excessively strenuous work at manufacturing sites	Strengthen manufacturing contractor/distributor management scheme
Raw material suppliers	Forced/compulsory or child labor at raw material production sites	Enhance sustainable procurement
		Strengthen raw material supplier management scheme
Sales partners, consumers, indigenous and other local communities	Indirect complicity in wars of aggression through sourcing of conflict minerals and other materials	Enhance surveying of smelters about parts potentially using conflict minerals
	Indirect complicity in conflict through sales practices	Strengthen sales partner management scheme
	Adverse impact on local communities through production or disposal of our products	Further improve wastewater management, noise control
	Infringement on consumer health and safety through defective products	Accelerate initiatives based on quality management system operation

Preventing forced and child labor

We are aware of the risks of forced and child labor throughout our supply chain, and their potential to cause enormous and serious harm to rights holders. We have

thus established specific action plans for each type of rights holder and are working to prevent these risks.

● Structuring a system to prevent forced and child labor within the Group

In 2023, we confirmed that there is no one under the age of 18 employed at any of our Group bases around the world. In 2024, we created guidelines for production bases to communicate the internationally-recognized definitions of forced and child labor, important information regarding labor practices and routine prevention measures and incidence response processes across the Group. In 2025, we used these guidelines to conduct self-assessments at all production bases globally, which confirmed that there have been no forced or child labor incidents and that hiring processes are in place to prevent child labor. Going forward, we will continue strengthening systems to prevent human rights violations at production bases.

Self-assessment period: Jan-Mar 2025

Production bases assessed: 13

Assessment topics: Forced labor, child labor

Assessment items: 19

Example assessment items:

- Is employee movement away from workplaces, dormitories or factories restricted outside of working hours?
- Is candidate age verification using official documents required during the hiring process?

● Strengthening manufacturing contractor and distributor management scheme

In 2024, we distributed the Toyo Tire Group CSR Procurement Guidelines to 17 warehousing contractors in Japan and 31 manufacturing contractors around the world, focusing on those that need to take important risks into account based on the work we outsource, and requested again that they support our Group's standpoint and promote these initiatives. We conducted a survey at the same time, and received responses back from all companies that confirmed no serious human rights

violations such as forced or child labor. We will continue engaging with our business partners to work toward the ongoing prevention of human rights violations.

Survey period: Sept 2024-Feb 2025

Respondent companies: 17 warehousing contractors in Japan, 31 manufacturing contractors globally (with one company providing responses for two locations)

Survey topics: Forced labor, child labor, long working hours, insufficient or non-payment of wages, occupational health and safety

Questions: 29

Example questions:


- Do you have company rules or regulations about child labor?
- Do you conduct education or awareness-raising about health and safety?

 [TOYO TIRE Group CSR Procurement Guidelines](#)

● Strengthening raw material supplier management scheme

We are promoting engagement with our raw material suppliers.

 [Supply Chain P56](#)

Results of initiatives for other important risks can be found on [our website](#) .

Raising awareness of respect for human rights —

We work continuously to raise awareness of the company's responsibility to respect human rights through e-learning sessions on our Corporate Code of Conduct as well as level-specific and other training. We also participate in human rights awareness activities at every region where our business sites are located, and strive to respect the human rights of everyone related to our business operations, including those at our suppliers and within the communities where we operate.

On Human Rights Day, the President of Toyo Tire Corporation sends a message to all Group employees, stressing the importance of having a foundation of deeply diverse talent to generate value through our business, and of demonstrating sincerity with all stakeholders.

Grievance mechanism

We have set up a number of grievance intake systems, including a natural rubber supply chain complaint desk and a harassment advice desk for employees. With each system, reports and concerns are investigated internally as needed, giving due consideration to the protection of privacy for those involved, and corrective action is taken

when issues are found. There were no cases of serious human rights violations in 2024.