CSR Policy

Basic Policy (Established in May 2014)

The Toyo Tires Group seeks to remain a company admired by individuals and society, each member keenly aware of their "Connection" with society.

Priority Theme & Ideal Status

Priority Theme		Ideal Status in 2020	Priorities	Stakeholders	
				Directly	Indirectly
l	Product and Service Reliability and Innovation	Providing eco-friendly products and services founded on high quality and safety	 Ensuring product quality based on thorough customer orientation Efforts to alleviate and adapt to climate change Development of human resources with technical expertise 	Customers	Shareholders and Investors Creditors Business organizations
	2 Contribution to the Global Environment	Promoting environmental management on a Group-wide basis	 Efforts to alleviate and adapt to climate change Efforts to reduce water risk Resource recycling efforts 	Local Communities Environment	NGOs Shareholders and Investors Business organizations
	B Respect for Human Rights and Diversity	Diverse employees actively working in an environment with a global sense of human rights	 Fulfilling responsibility to respect human rights Review labor standards taking into consideration customary international law 	Employees	NGOs Shareholders and Investors Business organizations
	Collaboration with Business Partners	Entire supply chain engaging in CSR activities	 Supply chain management (Society and Environment) 	Business Partners (Suppliers/ Logistics)	Shareholders and Investors Business organizations Local Communities NGOs Government
K	Harmony with Local Communities	Contributing to local communi- ty development while respond- ing to stakeholders' voices	 Engagement with local communities Preserving biodiversity 	Local Communities Environment	NGOs Government Shareholders and Investors
	Creation of Safe and Healthy Workplaces	With priority given to safety, promoting the creation of workplaces that ensure well-being and security	Global-level worker safety and health management	Employees	Business organizations Shareholders and Investors NGOs
	Reinforcement of Corporate Governance and Compliance	Engaging in business activities with integrity while constantly improving management transpar- ency	 Reinforcing corporate governance Further spreading awareness of placing greatest priority on compliance 	We are working to reinforce corporate governance/com- pliance as the foundation of CSR management, while paying close attention to all stakeholders.	

Identification Process of Priority Themes (2013-2014)

We have identified, from a wide range of CSR issues, those that need to be addressed as a high priority, based on the materiality of each issue to the Group and its stakeholders. In May 2014 we consolidated those issues into seven priority themes.

Extracting priority issues required for the sustainability of the Toyo Tires Group (2017)

Taking into consideration the accelerating changes in the business environment after identifying priority themes and our vision for 2020 as well as new demands of our stakeholders, we have extracted issues that should be addressed with priority in order to achieve sustainability by our Group into the future.

Extracting of issues was done by stressing objectivity, taking into consideration the results of evaluations conducted by independent rating organizations, and after obtaining the opinion of independent experts.

Of the priority issues that were extracted, a working group (WG) was established for each those issue that require cross functional activity promotion, with the WG considering responses to these issues.

Contributions to Achieving SDGs and Examining Future Ideal Status (2017-)

Having positioned contributing to efforts to achieve the 2030 sustainable development goals (SDGs) adopted by the United Nations as one important business issue, we have established cross functional WGs group-wide where this issue is discussed. After compiling the goals by the end of fiscal 2018 and obtaining approval by the Executive Committee as SDGs for our Group, we plan to expand these throughout the entire Group and all organizations.

Furthermore, we defined our "Ideal Status in 2020" to visualize where we want to be as a company in each current priority theme and we are also examining a long-term vision for our Group that can be realized by achieving SDGs.

Promotion System

To promote sustainability, the Executive Committee (chairperson: President), which has been delegated authority by the Board of Directors, has approved the creation of WGs to discuss issues that should be addressed with priority, and the WGs debate an action plan that includes orientation, goals, and targets. The WG brings together the responsible parties in related business organizations, the discussed action plan is approved by the Executive Committee, and the plan is spread throughout the entire Group and all organizations. WGs for the four themes of "Supply Chain", "Environment", "Human Rights & Labor", and "SDGs" have already been established and discussions are underway.

To promote sustainability, the Executive Committee manages the progress of activities undertaken by each WG, and evaluations are made of the effectiveness of the management methods for each theme using the results of performance ratings by an independent organization, the opinions of stakeholders obtained from the complaint processing mechanism, and industry trends. Improvements are then made.

Extracting process for priority issues



Objectively organize our Group's sustainability efforts by using as indicators the ESG rating results from FTSE Russell, which evaluates the ability to respond to environmental, societal, and governance factors as signs of the future prospects of a company



Consider opinions regarding material matters raised from stakeholders on the engagement with them



Upon organizing these efforts, extract the following issues as priority issues required for our Group's sustainability-items that reflect an organization's significant economic, environmental and social impacts or that substantively influence the assessments and decisions of stakeholders in the future.

The process of setting SDGs for our Group

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Envisioning the business environment in 2020 and after and organizing opportunities and issues for the Group brought about through achievement of SDGs.

*Business environment envisioned in 2020 and after: climate change, economic growth in developing countries, labor shortage, aging population, IoT evolution, greater influence of stakeholders, changes in customer needs (greater need for comfortable transportation and improved fuel efficiency, and a shift from value from ownership to value from use, etc.)



Goals that will generate growth for both society and the company through our Group's contributions to the resolving of issues as our Group's SDGs



Formulate a (long-term) vision of our Group that can be attained by achieving SDGs