

Fiscal 2017 CSR Activities Summary

Launching Full Efforts to Promote Sustainability

The Toyo Tires Group extracted issues that should be addressed with priority in order to achieve sustainable growth (sustainability) into the future. Company-wide working groups (WGs) were then established to solve those problems, and discussions were started. Organizations that are closely tied to each theme were assembled as WG members, and we are

now moving forward with an examination of related policies and strategies. Furthermore, staff of overseas affiliated companies also take part in all WGs, making the promotion of sustainability a Group-wide effort.

Sustainability Promotion Working

Working group (WG)	Members (Domestic ¹)	Fiscal 2018 activities	Planned activities for next fiscal year and beyond
SDGs WG	Corporate Headquarters: ●Corporate Planning Division, Others ²	Create our group SDGs and our vision for the group in 2030	Set targets for each goal and individual targets for each division; conduct communication with stakeholders on SDGs
Supply Chain WG	Business Headquarters: ●Procurement Division R&D Headquarters: ●R&D Division No.1	Update CSR Procurement Guidelines(examine policies for sustainable procurement of raw materials, including natural rubber)	Educate suppliers of the revised purchasing policy, request cooperation in order to achieve sustainable raw material procurement, and build a monitoring system
Environment WG	Quality Assurance, Environment & Safety Headquarters: ●Environment & Safety Division R&D Headquarters: ●Central Research Center ●R&D Division No.1 Production Headquarters: ●Domestic Production Division Fundamental Production Engineering Headquarters: ●Production Engineering Division	Create a Climate Change strategy (scenario analysis)	Examine environmental management methods based on CDP question items, evaluate and analyze risks, and have environment data certified by a third party
Human Rights & Labor WG	Corporate Headquarters: ●Administration Division ●Compliance & Legal Division Quality Assurance, Environment & Safety Headquarters: ●Environment & Safety Division	Create a Human Rights and Labor policy and an Anti-Corruption policy	Analyze and evaluate risks, conduct due diligence, and spread the new policy throughout the company

¹ Responsible parties at related overseas companies also participate in all WGs.
² Organizations closely tied to each goal participate as members.

Comment from External Expert / Comment by Corporate Officer in Charge of CSR

Comment from External Expert

For the Tire and Automotive Parts (Business), there are numerous ESG issues that should be tackled by not only the Company and Group companies but by the entire supply chain. These are environmental (E), social (S), and governance (G) related issues that should be resolved in order to create a sustainable society in line with the demands of international society. They have been included in numerous principles, agreements, and agendas, such as the United Nations Global Compact (2000), Guiding Principles on Business and Human Rights (2011), the Paris Accord (2015), and SDGs (2015).

As noted in the “Message from the President” in this report, the Company has captured these changes, identified ESG issues that should be addressed with priority in January 2018, and positioned them as business issues related to the Group’s sustainability in May. Furthermore, based on the approval of the

Executive Committee, the decision-making body for business execution, four Sustainability Promotion WGs were launched to examine the issues of supply chain, environment, human rights and labor, and SDGs. Various efforts including not only indicating a policy of identifying issues and making company-wide efforts through a commitment by management from a long-term perspective but also respecting international norms and related standards can be highly praised.

Efforts to address ESG issues are assessed for the three stages of policy, system and execution, and disclosure. It is hoped that in the future, each WG will create a concrete implementation plan, work with the other WGs to execute the plans, set standards to evaluate achievement (KPIs), and disclose the status and results of its efforts to stakeholders.



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Comment by Corporate Officer in Charge of CSR

Thank you for the valuable opinions from an expert perspective regarding the Toyo Tires Group CSR Report 2018.

As for our efforts to solve ESG problems, we are trying to promote sustainability in the mobility field, which is currently undergoing rapid changes, and are greatly encouraged by the fact that our capturing changes in the business environment and building a global sustainability promotion system have been highly praised.

We are now at the stage of moving forward with formulating a global policy taking into consideration international standards, and going forward, we will resolve identified priority issues while the Executive Committee manages performance based on the formulated policy. The group, and in particular the WGs, is examining SDGs that will generate growth for society and Group through the

Group’s contributions to the solving of issues. When setting goals, we search for those that not only solve issues requested by society but also those that create surprise and new discoveries within society and can contribute to enriching society.

We will continue to proactively inform stakeholders about these sustainability activities via these CSR reports, etc. We strive to improve both quality and reliability while considering the accuracy and clarity of the reported details with reference to international guidelines such as GRI standards, CDP question items, and Business Reporting on the SDGs in order to correctly assess our group’s corporate activities regarding information disclosure.



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