## 2. TOYO TIRE Group's material issues



**♦**Through our corporate activities, we contribute to providing society with sustainable mobility choices for the enjoyment of all

## **Value creation**

Unique value provided to customers and society through our products and services





2 Support the enjoyment of mobility for all



# Foundation for value creation

The base for value creation

Support diverse talent with motivating challenges and job satisfaction



Continue innovating <u>next-generation</u> mobility technology



## Risk management

Responsible business practices that protect the means of value creation

5 Pursue <u>decarbonization</u> in all corporate activities



6 Promote <u>supply chain sustainability</u>



Ensure <u>the fundamentals of manufacturing:</u> quality and safety



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**Material issue** 



## **♦** Working toward medium- to long-term value creation

**Reducing the environmental** impact of mobility



- > Enhance fuel efficiency with every new model
- > Reduce weight
- Create more EV-compatible products

Safe mobility

[A Society of Sustainable Mobility]

- Through the expanding and

diversifying EV market -

- ➤ Achieve long product life and superior braking performance on wet surfaces
- > Tire wear diagnostic service

**Material issue** 



**Mobility for all** [The enjoyment of driving]



**Unique EV strategy** 

- > Develop technology for electronic SUVs and pick-up trucks
- > Develop differentiated products for SUVs and CUVs according to trends in the North American market

**Material issue** 



**Motivating challenges and job** satisfaction for diverse talent



 Workplaces where diverse talent works together naturally to grow and flourish

• Talent development that maximizes individuality, character and capability Material issue



Technological innovation for next-generation mobility

- •Technologies established specifically for the environment and EVs
- Uniting eco-conscious technologies with sophisticated features
- New and sustainable materials



**Supporting foundation** 

Value creation scenarios

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## 3. Challenges based in material issues (Value creation and problem solving)



**♦** Risk management to protect value created

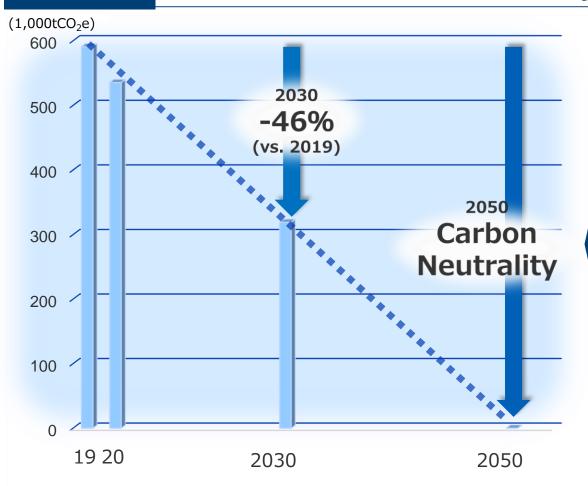
**5** [Decarbonization]

Material issue

Scope 1, 2

Medium- to long-term CO<sub>2</sub> emissions reduction goals

Reduce  $CO_2$  emissions by 46% (vs. FY2019) by 2030. Carbon neutrality by 2050. All functions within the company work together and with energy suppliers to promote decarbonization.



## Production

- Energy management
- Energy saving
- ·Update of mfg. systems and equipment

## Procurement

Flexible energy procurement

#### DX

 Effective and efficient initiatives driven by data

## Corporate/Environment

- Environmental investment standards and internal carbon pricing
- ·Renewable energy plan



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## 3. Challenges based in material issues (Value creation and problem solving)



**♦** Risk management to protect value created

**5** [Decarbonization]

Scope 3

[CO<sub>2</sub> emissions per tire]

Aim to help reduce CO<sub>2</sub> emissions per tire by 20% (vs. FY2019) by 2030. Promote technological innovation, product enhancement and supply chain collaboration.



## R&D Procurement

Material issue

- Promote supplier engagement
- •Reduce CO<sub>2</sub> emissions associated with raw material transport

## R&D Production

**Product Planning** 

Sales

- Improve technologies and develop processes for low fuel consumption and weight reduction
- Increase focus on fuel-efficient tires and EV tires

Strengthen measures to create value

#### R&D

## Production

## Logistics

## Sales

- Improve utilization rate of recycled materials
- Increase transportation efficiency
- Help popularize retread tires

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## 3. Challenges based in material issues (Value creation and problem solving)



## ◆Risk management to protect value created

**Material issue** 



Create a robust supply chain that is resilient in the face of environmental and social risks in raw material procurement.

Procurement

#### Stronger supply chain management

- Create global centralized management of suppliers and visualization of the supply chain
- •Promote responsible raw material procurement based on environmental and social risk assessments in the supply chain

#### **Sustainable natural rubber procurement**

 Work with suppliers to promote use of sustainable natural rubber in accordance with GPSNR\* principles and our Sustainable Natural Rubber Procurement Policy

\*GPSNR: Global Platform for Sustainable Natural Rubber



#### Material issue

## 7 [Quality and safety]

Enhance product quality and safety throughout the value chain.

Quality

Production

R&D·DX

Sales

- Establish a process assurance system through quality visualization at each step
- Create an individual product management system capable of traceability to market end
- Provide more hands-on safety awareness programs for users



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