



THE USTMA APPROACH TO SUSTAINABILITY:

USTMA seeks to advance a sustainable U.S. tire manufacturing industry through thought leadership, partnerships with other stakeholders and a commitment to science-based public policy advocacy.

For more information, visit sustainability.ustires.org

JULY 2021

SUSTAINABILITY

Reflecting Stakeholder Priorities in USTMA Sustainability Initiatives

Sustainability drives the business practices and operating principles of the United States tire industry, from engineering innovations that maximize tire longevity and performance, to ensuring driver and employee safety, to preserving the environment throughout the life cycle of a tire. Those efforts and more were captured in the first sustainability report of the U.S. Tire Manufacturers Association (USTMA), published in 2019. The report laid out USTMA's sustainability visions for the industry and reiterated its commitment to working toward these visions in partnership with relevant stakeholders, including customers, suppliers, legislators, regulators and NGOs. **In that spirit, USTMA conducted a materiality survey of its members and stakeholders in Spring of 2020 to help maximize alignment with their sustainability priorities in future USTMA programs and communications.**

Materiality assessments are traditionally undertaken by individual companies to identify environmental, social and governance issues that could affect their business; results are used to inform company strategy, targets, and reporting. USTMA is a pioneer in applying this concept at the trade association level.

"The insights you provide will help us identify emerging trends, refine our organization's sustainability strategy, and assist our industry in prioritizing and communicating about the issues that matter most to you and fellow stakeholders."

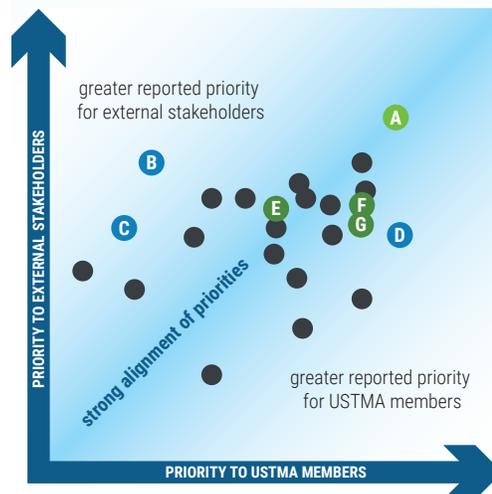
FROM THE MATERIALITY SURVEY INTRODUCTION

USTMA developed and conducted its materiality survey in collaboration with Future 500, a non-profit consultancy. Together, they formulated a list of 24 relevant sustainability topics using guidance from the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Ceres Roadmap for Sustainability, United Nations Global Compact, and other external experts. The web-based survey was distributed more than 600 stakeholders across diverse stakeholder categories, drawn from USTMA and member rolodexes and Future 500 recommendations.

The survey results demonstrate that, overall, there is strong alignment between the priorities of USTMA members and external stakeholders. See the reverse for additional information.

TURNING FEEDBACK INTO ACTION:

Stakeholders and USTMA members rated the importance of 24 sustainability topics on a scale of 1 to 5. USTMA then analyzed survey data to identify gaps in prioritization and opportunities for improvement, and has taken proactive measures to respond.



A Scrap Tire Markets

USTMA has stepped up its activities promoting robust scrap tire markets – the top priority for both members and external stakeholders. These include webinars to share market data, state-level workshops and a State of Knowledge Report on rubber-modified asphalt, a market with strong growth potential.

B Climate Change Mitigation

Stakeholders prioritized greater focus on climate change mitigation. USTMA has expanded its sustainability reporting on CO₂ emissions to take a life-cycle perspective and published climate policy principles to better communicate the industry's strategic approach. USTMA messaging also more clearly communicates the link between fuel efficient tires, reduced energy use and reduced CO₂ emissions. A 2021 follow-up survey of USTMA members revealed climate change mitigation is now a top priority.

C Energy Use

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E Microplastics

For its 2020 sustainability update, USTMA broadened the scope of its vision for reducing the industry's footprint from a facility-based to a life-cycle focus, including the supply chain and ongoing research into the impacts of tire materials in use.

F Tire & Road Wear Particles

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G Supplier Sustainability

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HIGHLIGHTS:

USTMA 2020 Materiality Assessment

Materiality Matrix: USTMA Members vs. External Stakeholder Priorities



Respondents rated the following 24 sustainability-related topics in three categories on a scale of 1 to 5:

● Operations & Supply Chain

- 1 Materials innovation
- 2 Workplace safety
- 3 Air quality
- 4 Supplier sustainability
- 5 Human & labor rights
- 6 Manufacturing waste management
- 7 Water stewardship
- 8 Climate change mitigation
- 9 Land use & biodiversity
- 10 Energy use

● Tire Use & End-of-Life

- 11 Product quality & safety
- 12 Fuel efficient tires
- 13 Scrap tire markets
- 14 Tire & road wear particles (TRWP)
- 15 Illegal dumping of scrap tires
- 16 Microplastics
- 17 Crumb rubber manufactured from scrap tires
- 18 Advanced mobility
- 19 Consumer engagement

● Industry Leadership & Governance

- 20 Corporate culture
- 21 Issue advocacy
- 22 Stakeholder engagement
- 23 Community relations
- 24 Economic value creation

Overall, there is strong alignment between the priorities of USTMA members and external stakeholders.

Survey Respondents by Sector

- 18.6% Government or Regulatory Agency *
- 9.8% Non-Profit /Advocacy Organization
- 7.8% Academic or Research Institute
- 11.8% Consultancy or Independent Issue Expert
- 12.7% Scrap Tire Recycler
- 6.9% Customer (e.g. automaker)
- 8.8% Supplier / Vendor
- 12.7% Other Company or Trade Association
- 10.8% USTMA Member Company

* primarily state waste regulators handling scrap tire issues

“What are the top ESG issues that USTMA and its members will need to prioritize in the next three years?”

The materiality survey kicked off with an open-ended question; respondents could list up to three issues. Overall, their responses confirmed the appropriateness of the 24 topics included in the rest of the survey.

Survey Scope

600+

Stakeholders invited to participate

102

Fully completed surveys received

17.9% response rate = high quality data

Stakeholder Years of Experience

