

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) RESPONSE

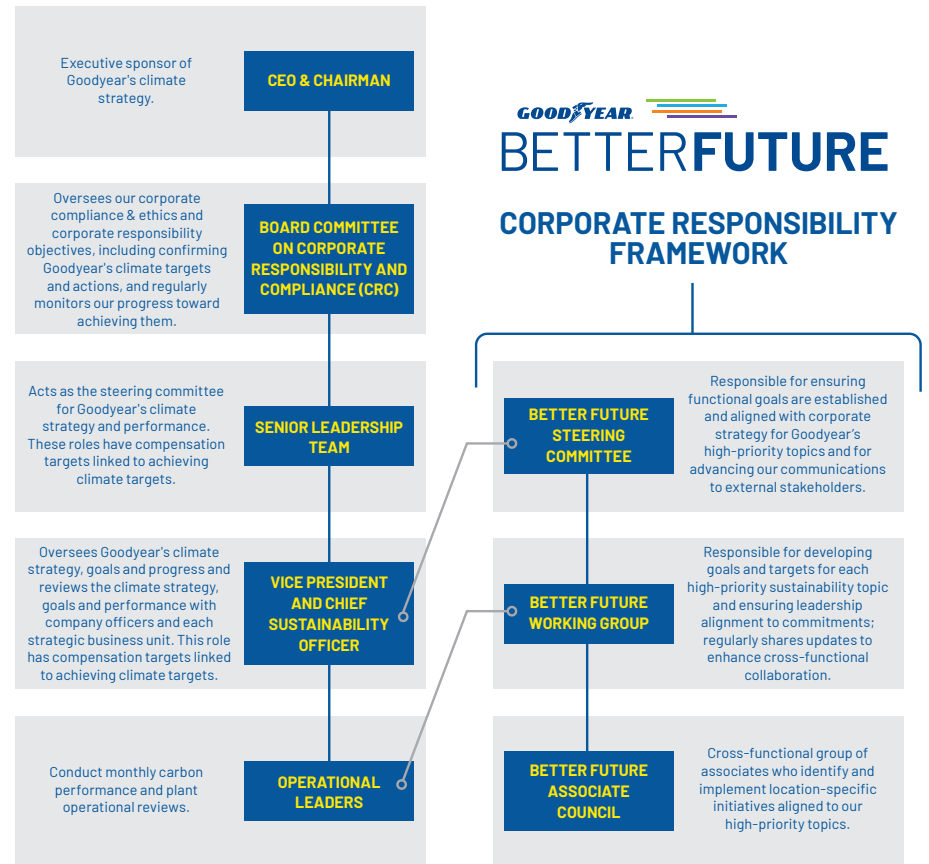
## GOVERNANCE

Disclose the organization’s governance around climate-related risks and opportunities.

### a) Describe the board’s oversight of climate-related risks and opportunities.

The Board of Directors of The Goodyear Tire & Rubber Company (“Goodyear” or the “Company”) has formed the Committee on Corporate Responsibility and Compliance (“CRC”), which is currently comprised of five members of the Board. The CRC’s purposes include, in part, monitoring how the Company manages its business in a responsible manner, including its environmental, social and governance (“ESG”) objectives, policies, programs and performance, which includes the responsibility to monitor its climate strategy, sustainability initiatives, and compliance with environmental laws and regulations. The CRC typically meets three times a year to review and receive updates from management relating to these matters, which includes reports and updates from the Vice President and Chief Sustainability Officer. The CRC is aware and supportive of the current work underway regarding the Company’s climate-related risk and opportunity materiality assessment, scenario analysis and financial impact assessment and plans to review results upon completion. This Board oversight is increasing Goodyear’s focus on climate-related risks and opportunities and their impacts on our business, strategy and financial planning, as well as risk management processes.

### b) Describe management’s role in assessing and managing climate-related risks and opportunities.



Collectively, our climate-specific governance structure is helping Goodyear maximize accountability for risk and opportunity assessments and the integration and ongoing management of a climate strategy into the overall corporate responsibility framework.

### Governance Structure

**Chairman, CEO & President:** Executive sponsor

**Goodyear’s Board Committee on Corporate Responsibility and Compliance (CRC):** Oversees our corporate compliance and ethics and responsibility objectives, including confirming Goodyear’s climate targets and actions, and regularly monitors our progress toward achieving them.

**Senior Leadership Team:** Acts as the steering committee for our climate strategy and performance. These roles have compensation metrics and goals that are linked to achieving certain climate targets.

**Vice President and Chief Sustainability Officer:** Oversees our climate strategy, goals and progress. Reviews Goodyear’s climate strategy, goals, and performance with company officers and each strategic business unit. This role has compensation metrics and goals that are linked to achieving certain climate targets.

**Operational Leaders:** Conduct monthly carbon performance and plant operational reviews.

**Goodyear Better Future:** Goodyear has a long history of Corporate Responsibility and established the CRC in 1976. Following an extensive materiality assessment, Goodyear *Better Future*, our current corporate responsibility framework, was launched in 2018 to better illustrate our high-priority ESG topics. The framework has a governance structure that helps ensure corporate responsibility is integrated into all levels of our organization, promotes communication and awareness, and drives alignment with our corporate strategy and stakeholder priorities.

**Better Future Steering Committee:** This committee of cross-functional leadership is responsible for ensuring functional goals are established and aligned with corporate strategy for Goodyear’s high-priority topics, including climate, and for advancing our communications to external stakeholders.

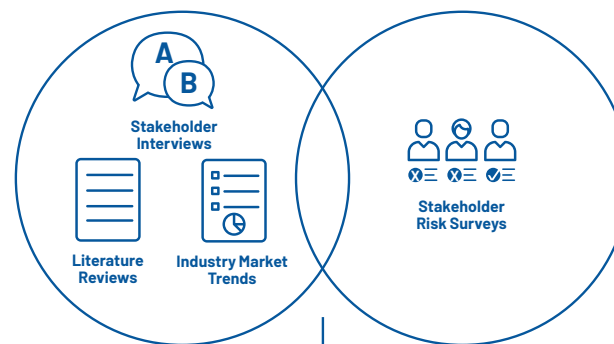
**Better Future Working Group:** This working group comprising program managers for each of our high-priority topics is responsible for developing goals and targets for each topic and ensuring leadership alignment to commitments. They regularly share updates to enhance cross-functional collaboration.




### STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.

#### a) Describe the climate-related risks & opportunities the organization has identified over the short-, medium- and long-term.

In the second half of 2021, Goodyear undertook a materiality assessment specifically focused on climate. Through extensive industry research and internal stakeholder engagement, the following material risks and opportunities were identified.



PHYSICAL RISK 	TRANSITION RISK 	OPPORTUNITIES 
<p><b>P1:</b> Limited availability or interrupted supply of purchased materials</p> <p><b>P2:</b> Extreme weather events causing damage or closure at Goodyear facilities</p> <p><b>P3:</b> Extreme weather events interrupting access to Goodyear supply chain</p> <p><b>P4:</b> Disruptions in car manufacturing industry reducing demand</p>	<p><b>T1:</b> Increased demand for low carbon products and sustainable materials</p> <p><b>T2:</b> Accelerated regulations on carbon intensity, environmental, and social impacts</p> <p><b>T3:</b> Increased accountability from investors and customers to develop a climate strategy and achieve GHG emission reduction targets</p> <p><b>T4:</b> New penalties placed on carbon such as a carbon tax</p> <p><b>T5:</b> Unsuccessful adaptation to emerging technologies</p>	<p><b>O1:</b> Increase brand dependability through expanded business continuity planning</p> <p><b>O2:</b> Differentiate Goodyear products, by reducing footprint of Goodyear tires</p> <p><b>O3:</b> Leverage circular economies to reduce demand for raw materials</p> <p><b>O4:</b> Supply chain engagement (esp. natural rubber) for resilience</p> <p><b>O5:</b> Branding to demonstrate Goodyear’s commitment to sustainability</p> <p><b>O6:</b> Leadership in providing and accommodating new technologies</p>

For the purposes of this disclosure, the material risks and opportunities listed below are the result of the risk identification and prioritization process explained in disclosure (a) Risk Management.

Later in 2022, Goodyear plans to assess these risks and opportunities to understand their potential financial impacts, and further define materiality in this context to reflect those elements. That definition will help Goodyear refine the list of material risks and opportunities to include only those having a potentially significant financial impact.

TIME HORIZON	MATERIAL RISKS IDENTIFIED
Short-Term (0-5 years)	<ol style="list-style-type: none"> <li>Limited availability or interrupted supply of purchased materials</li> <li>Extreme weather events causing damage or closure at Goodyear facilities</li> <li>Extreme weather events interrupting access to Goodyear supply chain</li> <li>Disruptions in car manufacturing industry reducing demand</li> <li>Increased demand for low carbon products and sustainable materials</li> <li>Accelerated regulations on carbon intensity, environmental, and social impacts</li> <li>Increased accountability from investors and customers to develop a climate strategy and achieve GHG emission reduction targets</li> <li>New penalties placed on carbon such as a carbon tax</li> <li>Unsuccessful adaptation to emerging technologies</li> </ol>
Medium-Term (5-10 years)	No additional material risks identified at this time; however, the short-term risks identified above may remain.
Long-Term (10-15 years)	No additional material risks identified at this time; however, the short-term risks identified above may remain.

TIME HORIZON	MATERIAL OPPORTUNITIES IDENTIFIED
Short-Term (0-5 years)	<ol style="list-style-type: none"> <li>Increase brand dependability through expanded business continuity planning</li> <li>Differentiate Goodyear products by reducing footprint of Goodyear tires</li> <li>Leverage circular economies to reduce demand for raw materials</li> <li>Supply chain engagement (especially natural rubber) for resilience</li> <li>Branding to demonstrate Goodyear’s commitment to sustainability</li> <li>Leadership in providing and accommodating new technologies</li> </ol>
Medium-Term (5-10 years)	No additional material opportunities identified at this time; however, the short-term opportunities identified above may remain.
Long-Term (10-15 years)	No additional material opportunities identified at this time; however, the short-term opportunities identified above may remain.

**b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.**

Goodyear currently is conducting scenario analysis in alignment with the TCFD recommendations and supplementary guidance. Scenario analysis will qualitatively evaluate the resilience of Goodyear’s business model in the context of three climate scenarios:

- “Failed Transition” considering high physical risk associated with global temperature rise reaching approximately 4.4°C by 2100;
- “Current Policy” considering both physical and transition risks associated with a future state likely to result from policies already enacted or committed to by global governments; and
- “Net Zero by 2050” considering high transition risk associated with a rapid and persistent transition to a low-carbon economy, such that global temperature rise is limited to 1.5°C by 2050.

The three climate scenarios will be informed by the most recent physical and transition models published by the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA) in their respective 2021 reports. The climate scenarios will be evaluated across short-term (0-5 years), medium-term (5-10 years), and long-term (10-30 years) timeframes. Qualitative scenario analysis will be followed by a financial impact assessment that will quantify the potential impacts of material risks and opportunities. The financial impact assessment will allow Goodyear to further prioritize material risks and opportunities as they pertain to their level of corporate impact and when impacts may become financially significant.

The scenario analysis and financial impact assessment will help identify the impacts of material climate-related risks and opportunities on Goodyear’s business, strategy, and financial planning. The knowledge of these impacts will, in turn, inform business continuity planning (see disclosures (b) and (c) within Risk Management below) and other strategic decision-making aimed at increasing resilience to a wide range of possible future states outlined in disclosure (a) within Strategy.

The results of Goodyear’s first scenario analysis and financial impact assessment will be made available in an update to our TCFD disclosures and additional annual reporting channels scheduled for later in 2022. Our scenario analysis and financial impact assessment will be reviewed on an annual basis to ensure parameters, assumptions, and data remain relevant.

**c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

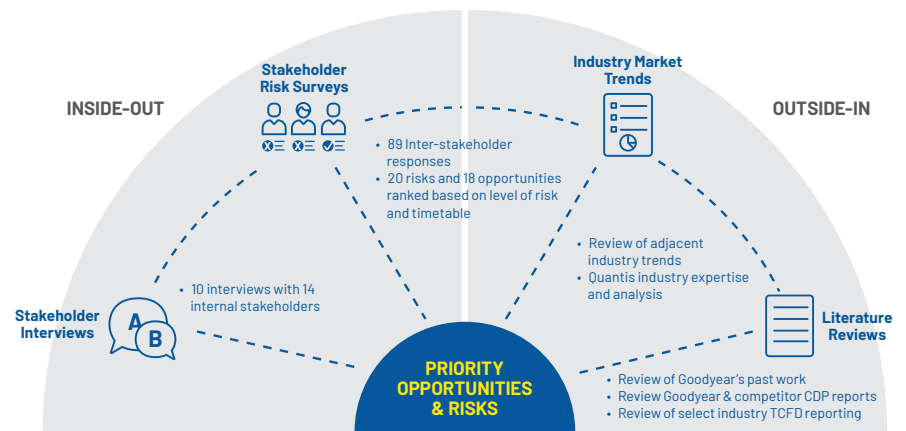
Please see disclosure (b) within Strategy.

**RISK MANAGEMENT**

**a) Describe the organization’s processes for identifying and assessing climate-related risks.**

**APPROACH: PRIORITIZING RISKS & OPPORTUNITIES**

Narrowing the Scope of scenario analysis to the most business-relevant risks & opportunities



Goodyear used a combination of internal and external insights gathered in 2021 to identify and prioritize potentially material climate-related risks and opportunities. A summary of that process is below:

1. Informational interviews with thoughtfully selected internal stakeholders helped to outline Goodyear’s “risk universe.”
2. A survey distributed to a broader and more diverse group of internal stakeholders evaluated the identified risks and opportunities based on when and how dramatically those stakeholders thought they would impact Goodyear’s business model.
3. To balance internal insights from stakeholder interviews and surveys, Goodyear leveraged industry and market trends, benchmarked examples of industry-relevant, climate-related risk reporting, and engaged professional consultants.
4. Finally, the internal and external insights were cross-referenced to consolidate a list of material risks and opportunities.

As stated earlier, Goodyear is conducting a climate-related scenario analysis and financial impact assessment in 2022 to evaluate the potential business impact of each material risk and opportunity. We expect that subsequent iterations of Goodyear's TCFD reporting will include a financial-based definition of materiality and further refinement of the list of material risks and opportunities based on that definition.

**b) Describe the organization's processes for managing climate-related risks.**

This report discloses the methodology and outcomes of Goodyear's first climate-related risk and opportunity assessment. Previously, climate-related risks identified through Goodyear's overall risk management process were managed primarily through our business continuity process.

Please see disclosure (c) within Risk Management below for information on how Goodyear manages climate-related risks.

**c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.**

Goodyear's processes include a robust Business Continuity function that, among other things, identifies, assesses, and manages climate-related operational risks utilizing frameworks developed by Disaster Recovery Institute (DRI) International and aligns with ISO Standard 22301 "Security and resilience – Business continuity management systems." Goodyear policy establishes an internal standard operating procedure for major incident reporting that includes climate-risk related events such as disruptions of operations and environmental releases.

Goodyear's Business Continuity teams conduct annual risk assessments that feature the following actions relevant to assessing climate-related risks:

1. Risk Assessment (RA) - Identification and prioritization of threats and risks
  - Benchmark industry trends, escalating risks and align on an annual operational risk focus for all regions
  - Review past risk assessment procedures and outcomes
  - Survey internal stakeholders via business continuity software
  - Evaluate the main activities in which the Business Continuity team has been engaged over the past year
2. Business Impact Assessment (BIA)
  - Conduct critical process identification and evaluation
  - Assess how well Goodyear is prepared for these risks from an operational perspective
  - Determine the appropriate Recovery Time Objectives (RTO) and potential impacts to operations

3. Business Continuity Planning (BCP)

- Aggregate the data collected during the Risk Assessment to categorize and define risks with the highest probability and impact
- Summarize regionally reported RTOs to define the time horizon required for recovery planning
- Develop detailed Business Continuity plans to summarize the actions, resources and tools required in supporting business units, associates and facilities to prepare for, respond to and recover from risk impacts, and restore normal operations within the RTO

This process is currently applied to overall operational risks. Going forward, Goodyear will integrate the ongoing identification and analysis of climate-related risks into risk management and other business processes.

## METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

**a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

To assess the current materiality of identified climate-related risks and opportunities in this context, Goodyear used a risk/opportunity matrix produced from a climate-related risk assessment. See disclosure (a) within Risk Management for a complete description of the process.

Goodyear is currently conducting scenario analysis. For this exercise, we intend to use the **IPCC's SSP5-8.5 and SSP2-4.5** physical climate scenarios (with most likely temperature outcomes of 4.4°C and 2.7°C respectively) and the **IEA's "Stated Policies" and "Net Zero Emissions by 2050"** climate transition scenarios. Relevant data and analysis from the IPCC and IEA will be used to quantify the parameters, assumptions, and limitations of our three defined climate scenarios. See disclosure (c) within Strategy for additional detail on the anticipated scenario analysis approach.

Also underway is a financial impact assessment of the prioritized material climate-related risks. For this exercise, we intend to integrate several metrics including, but not limited to, physical asset values and coordinates, corporate greenhouse gas emissions, activity growth projects, carbon pricing estimates, and historical loss data.

Going forward, Goodyear will continue to monitor climate-related risks and opportunities and review our climate risk financial impact assessment and update as needed. This process will be further defined after we complete our scenario analysis and associated financial impacts assessment.

**b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**

2019 Corporate Carbon Footprint in Million Metric Tons (MMT):

**Scope 1:** 1.47MMT CO<sub>2</sub>e

**Scope 2:** 1.47MMT CO<sub>2</sub>e (market-based)

**Scope 3:** 11.54MMT CO<sub>2</sub>e (excludes indirect product use phase emissions)

Goodyear's latest corporate carbon footprint assessment was conducted using 2019 data, for both Goodyear's global footprint and the global footprint for Cooper Tire & Rubber Company (Cooper). Goodyear completed our acquisition of Cooper in June 2021; however, Cooper's 2019 data was included to provide full visibility of Goodyear's consolidated corporate carbon footprint.

In 2022, Goodyear expects to complete our 2021 corporate carbon footprint assessment and update values for Scope 1, 2, and 3 greenhouse gas (GHG) emissions. These updated figures will be included in the second iteration of Goodyear's TCFD response scheduled to be released later in 2022.

Goodyear has identified two key risks associated with our Scope 1, 2, and 3 greenhouse gas emissions:

1. **Policy Risk:** The potential implementation of cap-and-trade systems or other market-based approaches to limiting greenhouse gas emissions, such as a government-mandated carbon tax, poses a risk. The existing European Union (EU) Emissions Trading System (ETS) currently requires Goodyear to purchase carbon credits to offset 70% of emissions from energy use in four Goodyear plants in Europe. The expansion of the EU ETS or implementation of similar cap-and-trade systems in the United States or other regions where Goodyear-owned facilities are located may increase the required amount of purchased carbon offsets. Additionally, if the cost of carbon offsets increases over time, the financial impact on Goodyear would be expected to increase proportionately.
2. **Reputational Risk:** Various stakeholders, including Goodyear associates, customers, investors, and consumers, are increasingly asking for the reduction of corporate carbon emissions. A failure to take actions to comply with these requests poses a reputational risk for Goodyear.

**c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**

In 2021, Goodyear announced our commitment to achieving the following science-based climate goals, aligned with the Science Based Targets initiative (SBTi):

**2030 Targets:** Using 2019 as a base year, Goodyear is committed to reducing our Scope 1 and 2 emissions by 46% by 2030 and relevant Scope 3 emissions by 28% over the same time frame.

**2050 Target:** Goodyear announced our goal to reach net-zero value chain greenhouse gas (GHG) emissions by 2050.

Performance against near-term climate targets will be evaluated on an annual basis.