The people of Cooper Tire & Rubber Company believe in the power of “AND.” We are committed to delivering shareholder value AND operating our company in a way that reduces our impact on the environment. We believe in innovation, leveraging it to be successful in the marketplace AND to help us be responsible about the life cycle impacts of our products. We are relentless about improving the efficiency of our operations, AND we care deeply about our people, especially when it comes to their health and safety. We strive to continually improve our economic performance, AND we connect with our communities through philanthropy AND employee activation. Our future is one where Cooper continues to do the right thing AND succeeds because of it.

Our Sustainability Strategy

Three pillars help us continue to focus on sustainability and advance our program. Through these pillars we focus on being:

**CARING AND CONNECTED**

We will provide for the health and safety of employees and contractors, provide good working conditions and engage with employees through communication. We will be good community citizens wherever we operate, contribute to our communities and others through philanthropy, preserve human rights and operate ethically.

**EFFICIENT**

We will focus on using natural resources wisely in our operations by optimizing energy and water usage, and waste generation, reducing greenhouse gas emissions and otherwise preserving the natural environment at our operating locations.

**INNOVATIVE**

We will have excellence in all we do with a primary focus on sustainable products. This includes products that are safe, optimizing water usage and considering the use of more sustainable materials, promoting vehicle fuel efficiency, minimizing life cycle impacts and providing good consumer value.
Thank you for your interest in Cooper Tire & Rubber Company's 2017 Corporate Social Responsibility (CSR) and Sustainability Report. I am pleased to share it with you. This report serves as an overview of our activities related to product stewardship and innovation, employee health and safety, energy optimization and community.

CSR has played an important role in our company's history. For more than 100 years, Cooper has believed in doing the right thing – for our planet, people and products. Our journey is continuous and we recognize there is still much to do, but we are committed to social and environmental responsibility.

A few highlights of our 2017 report include:

- Cooper facilities across the globe are making strides in energy optimization. Many facilities have upgraded their lighting to energy efficient LED technology and others have installed equipment to reduce energy usage related to heating and cooling.

- Safety remains Cooper’s number one priority. Through our Safety Excellence System and Drive to Zero campaign, Cooper is committed to having healthy employees and safe facilities. In 2017, the company’s total recordable incident rate (TRIR) continued to improve. Our incident rate has reduced by more than 80 percent in the last decade.

- Cooper has achieved an overall reduction in energy usage intensity, landfill usage intensity and greenhouse gas emissions since 2009.

- In 2017, as Cooper and the tire industry experienced challenging market conditions, a reduction in production levels contributed to an increase in energy usage intensity and water usage intensity. Landfill usage intensity also saw an uptick, while greenhouse gas emissions continued on a positive downward trend.

- We continue to invest in innovative and sustainable product technology. Cooper serves as a member of the Program of Excellence in Natural Rubber (PENRA), a group exploring a type of Russian dandelion plant as a potential natural rubber source. Also, in 2017 Cooper completed a $6.9 million grant from the U.S. Department of Agriculture to study guayule as a source of rubber for tire applications.

- Environmental efforts related to scrap tire reduction and recycling continue to be important. More than 5,000 tires were collected at Cooper's tire amnesty day events held in our U.S. plant communities in 2017, and the company continues to be actively involved with the work being done by the U.S. Tire Manufacturers Association (USTMA), of which our company is a member.

- Community safety, education and development, including tire safety education for young drivers through our Tread Wisely™ program, took Cooper people into the communities where they live and work. Hundreds of thousands of teens and young adults across the globe have been reached through the Tread Wisely effort to date. In addition, Cooper supported manufacturing career education by participating in The Manufacturing Institute’s Dream It. Do It. program and holding “Manufacturing Day” events in our plant communities in the U.S. that reached more than 10,000 students.

At Cooper, we consider CSR and sustainability to be an important part of doing business, and we are pleased to provide you with this yearly update on our commitment to these practices.
Results

**ENERGY CONSUMPTION**

Energy is used in tire production to power equipment, generate steam, heat, cool and transport materials, control the environment in occupied spaces, and provide lighting. Energy usage results in air emissions, including greenhouse gas emissions at Cooper plants (direct energy usage) or at upstream electricity and steam generating locations (indirect energy usage). As indicated in this graph, Cooper has been working for many years to reduce energy usage. Energy usage intensity remains 15 percent lower than 2009 levels, while a small increase in the intensity values in 2017 are attributed to a reduction in production levels throughout the year.

**GREENHOUSE GAS EMISSIONS (GHG)**

Greenhouse gases are directly emitted from fossil fuel energy sources consumed at Cooper manufacturing plants and indirectly from purchased electricity and steam. As Cooper continues to focus on energy conservation, GHG emissions are reduced. GHG emission intensity closely follows energy usage intensity. The accompanying graph indicates that a recent downward trend from 2014 continues, resulting in an overall reduction in emission intensity of 14 percent since 2009.

**LANDFILL**

Some portion of the raw materials and related packaging, maintenance and construction materials used at a tire manufacturing plant become waste that must be managed properly. Cooper is working to minimize waste generation and to divert solid waste from its traditional disposal outlet – landfills – where feasible. As shown in the accompanying graphic, Cooper has reduced landfill usage intensity by approximately 20 percent since 2009. An uptick in landfill usage from 2015 through 2017 was the result of rubber scrap market conditions that rendered some recycling outlets unavailable. We continue to explore alternatives.

**WATER**

Cooper uses water in tire manufacturing for steam, heating, cooling and cleaning. Since the water does not become part of the product, most of it is returned to the environment through evaporation and permitted direct discharge to surface water or water treatment facilities. As indicated in the related graph, water usage trended downward from 2009 through 2011, increased slightly in 2012 and 2013, and then leveled off. Although we saw an uptick in water usage intensity in 2017 related to a reduction in production levels throughout the year, we continue to focus on activities to support water reduction.

**Environmentally Recognized**

- Cooper is one of only two tire companies that qualifies as an Energy Star Partner under the standards of the U.S. Department of Energy and the Environmental Protection Agency.
- Cooper’s Findlay, Texarkana and Tupelo plants in the United States and its CKT plant in China are certified to the ISO 14001 standard. This standard provides companies with a systematic way of managing their environmental responsibilities and requires facilities to continuously improve environmental performance. Other Cooper facilities are working toward this certification as well.
- Cooper’s Tupelo, Miss. and Clarksdale, Miss. plants are members of the state’s enHance program, a voluntary stewardship program that recognizes committed environmental leaders. Program members must demonstrate a record of, and make a commitment to, achieving environmental improvements. The program is designed to encourage the reduction of waste and conservation of resources, resulting in long-term economic benefits and continuous environmental enhancement.
**ALTERNATIVE MATERIALS**

**RESEARCHING POTENTIAL ALTERNATIVES TO HEVEA NATURAL RUBBER**

**GUAYULE**

In 2017, Cooper Tire along with consortium partners Clemson University, Cornell University, PanAridus and the Agricultural Research Service of the U.S. Department of Agriculture (USDA-ARS) completed a five-year, $6.9 million USDA grant to study guayule for tire applications. This was the first time a team was assembled to study the entire guayule value chain. Through their work, the team concluded that guayule is a viable source of domestically produced rubber for the tire industry.

For guayule to become a commercialized product for use in the tire industry, large scale agriculture will be needed as well as infrastructure to process guayule into rubber. Competitive material pricing, an outlet for guayule co-products and tire manufacturing plant adjustment is also necessary.

The grant work and what’s needed next to make guayule a reality for the tire industry were detailed in a video that can be watched by clicking here.

**TKS RUSSIAN DANDELION**

Cooper is playing a key role in the Program of Excellence in Natural Rubber Alternatives (PENRA), a consortium dedicated to the development of *Taraxacum kok-saghyz* (TKS), a type of Russian dandelion, as a domestic natural rubber source. This consortium, led by The Ohio State University, is making progress in germplasm improvement, agronomics and cropping systems, rubber and inulin extraction process, and tire compound evaluations using this material.

**FILLERS AND OTHER MATERIALS**

Cooper continues to explore alternative materials that provide low environmental impact to be used as fillers in our tires. A number of bio-based fillers, such as sugars, starches, eggshells, lignin and others, are being researched and tested as replacement for non-renewable materials.

**TIRE INDUSTRY PROJECT**

Cooper is one of 11 global tire companies working together through the Tire Industry Project (TIP) to identify and address potential health and environmental impacts that may result from materials associated with tire making and use. Operating under the World Business Council for Sustainable Development, TIP is focused on a number of industry challenges and developing potential solutions. These include understanding the impact of tires on the environment, supporting sustainable natural rubber practices, promoting effective end-of-life tire management around the world, and developing new guidelines for the management of environmental health and safety issues throughout the life cycle of the tire.

In 2017, TIP published a peer-reviewed product category rule, an industry specific guideline that will be used to conduct life cycle assessments and develop environmental product declarations in a way that offers comparable reporting. In addition, key performance indicators including carbon dioxide emissions, energy consumption, water intake and ISO 14001 certification were developed and approved for publishing annually. This shows the aggregated progress TIP companies are making to help reduce the industry's environmental footprint.

The group has also initiated the work to develop a natural rubber sustainability platform comprised of relevant stakeholders. Cooper will continue to be involved with this effort to develop a coordinated, universal industry approach to establish and promote sustainable natural rubber practices.

The Roadmaster and Cooper-brand truck and bus radial tire lines offer a combined eight SmartWay®-verified truck tires. The United States Environmental Protection Agency’s SmartWay Technology Program verifies low rolling resistance tires that meet its criteria of reducing fuel consumption, ultimately cutting costs and benefiting the environment.
PLANTS IMPLEMENT OBSERVATION-BASED SAFETY PROGRAM

Several Cooper manufacturing facilities around the world have been implementing an observation-based safety program that encourages workers to make observations and communicate unsafe practices to prevent accidents.

The program has been effective in reducing incidents for many locations. For example, with the implementation of this program and other measures Cooper’s Serbia plant has reduced its total recordable incident rate from 6.40 in 2013 to 1.09 in 2017. This program will continue to roll out to all Cooper manufacturing locations throughout 2019.

Employee Health & Safety

AT COOPER, WE BELIEVE THAT WORLD CLASS COMPETITIVENESS IS DEPENDENT UPON HAVING HEALTHY EMPLOYEES AND SAFE FACILITIES.

That’s why we strive to be a zero injury workplace. Through our Safety Excellence System (SES) and our “Drive to Zero” campaign, Cooper has created a framework that demonstrates our commitment to zero injuries. SES, built on the Plan-Do-Check-Act continual improvement model, provides structure for managing health and safety through goal setting, defining roles and responsibilities, developing proactive performance measures and individual accountability.

One measure of our safety performance is Total Recordable Incident Rate (TRIR). The TRIR for Cooper’s tire manufacturing plants has improved more than 80 percent since 2007. In 2017, Cooper continued to instill a culture of safety resulting in continued improvement from 2016 numbers, placing the organization at its lowest recordable TRIR in the last decade.

Scrap Tire Reuse and Recycling

COOPER IS ACTIVELY INVOLVED IN THE U.S. TIRE MANUFACTURERS ASSOCIATION’S EFFORTS TO IMPROVE SCRAP TIRE REUSE AND RECYCLING.

Representatives from Cooper attended the USTMA’s seventh annual scrap tire conference in 2017, which was focused on the latest trends and innovations in the use of end of life tires. Industry-wide efforts to improve scrap tire reuse and recycling have been very successful since 1990 with over 80 percent of annually generated scrap tires consumed in end use markets. The reuse rate for tires exceeds the rates for glass bottles, aluminum cans and plastic bottles.

Additional facts about the second life of tires from the USTMA:

- 106 million scrap tires are used each year as an alternative to coal as fuel in cement kilns, pulp and paper mills and industrial/utility boilers.
- 62 million scrap tires annually are processed—shredded or ground up—for use in rubber modified asphalt, sport surfaces, mulch and for some new tire manufacturing.
- 19 million scrap tires annually are used as an alternate, lightweight fill material in place of gravel or sand for road embankment construction or other purposes and another 20 million go into other uses.
- In all, 208 million scrap tires are put to new uses in the United States each year.

TIRE AMNESTY

Cooper collects tires for recycling in the U.S. communities where it has major manufacturing facilities—Findlay, Ohio, Texarkana, Ark., and Tupelo, Miss. More than 5,000 tires were collected for recycling at these events held in 2017, including the first event of this kind held for the Texarkana community.

At tire amnesty day events, residents are encouraged to bring scrap tires to designated locations where Cooper volunteers accept and load them into trailers for transport to recycling facilities. Collecting the tires ensures they are recycled in an environmentally responsible manner and eliminates a pest habitat.
Energy Optimization/Environmental Initiatives

FINDLAY, OHIO
Cooper’s Findlay plant has completed an upgrade of its lighting to energy efficient technology. The plant is also installing a combined heat and power system which will provide onsite generation of approximately half of the electrical power needed by the plant, while also generating the entire steam load required for the plant processes.

MELKSHAM, ENGLAND
Cooper Tire Europe’s Melksham plant received a grant, in collaboration with SpiraxSarco and Brunel University London, from Innovate UK for the development of equipment to capture waste heat from production processes and turn it into electricity. The prototype equipment for this process was installed and tested in 2017.

KRUSEVAC, SERBIA
Cooper Tire Europe’s Krusevac plant has installed more efficient air compressors to lower the energy consumption used to generate compressed air. They have also improved the efficiency of the plant electrical infrastructure by installing power factor correction equipment. The plant has reduced its use of solvent paints in the tire manufacturing process, declining its monthly use of the product by more than 80% from 2016 to 2018. The plant plans to completely eliminate the use of solvent-based paint in the future.

KUNSHAN, CHINA
Cooper Tire Asia’s Kunshan plant was the first Cooper Tire facility worldwide to be completely updated with energy efficient lighting using LED lighting technologies.

TEXARKANA, ARKANSAS
Cooper’s Texarkana plant was the company’s first U.S. manufacturing facility to be certified to the ISO 50001 energy management standard, as well as the U.S. Department of Energy Superior Energy Performance program. Texarkana has installed energy efficient compressed air dryers in its facility, which treat compressed air prior to being used in the factory. The plant is also updating lighting to energy-efficient LED technology and has installed a heat recovery system to pre-heat boiler water.

TUPELO, MISSISSIPPI
Significant investments into the reduction of energy usage have been made at Cooper’s Tupelo plant, including a lighting upgrade to LED fixtures both interior and exterior of the plant. The plant has also curbed one of the facility’s major energy usages, natural gas, through the insulation of several press lines with a new product that significantly reduces heat loss. Tupelo reduced compressed air energy use through the installation of new drying technology for the compressed air system of the plant as well as the establishment of a compressed air leak identification and repair program.

GLOBAL ENERGY SUMMIT
Energy team leaders from Cooper plants across the globe met in Melksham, England in early 2018 for the company’s Global Energy Summit. The team discussed energy projects, best practices for reducing energy consumption and standardization of energy data collection.

*According to the EPA emission calculator.
**Using EPA conversion of 4.4 pounds of CO2 per pound of tire, average tire weight of 33.5 pounds.
TIRE SAFETY
Cooper Tire supports its global, signature philanthropic cause of tire and vehicle safety for teens and young adults through its Tread Wisely program. Tread Wisely, which was launched in 2016, has reached hundreds of thousands of young people across the U.S. and the globe with three key tire safety messages focused on understanding the importance of checking tire pressure, tread depth and overall tire condition.

Hundreds of Cooper employees have volunteered to share the Tread Wisely message by taking part in events and speaking directly with young drivers. Teens and young adults can also learn tire safety tips from Tread Wisely through a first-of-its kind mobile app, which is free and available for download from the App Store or Google Play Store.

In addition, Cooper is collaborating with DoSomething.org, the largest not-for-profit organization exclusively for young people and social change, to initiate a national (U.S.) campaign for young people to support tire safety and share this information with their family and friends.

Learn more about the Tread Wisely program by visiting TreadWisely.org or following @TreadWisey1 on Facebook, Instagram or Twitter.

GIVING
COOPER HAS LONG BEEN A SUPPORTER OF CAUSES IN THE COMMUNITIES WHERE WE LIVE AND WORK.

In 2017, a devastating earthquake impacted Mexico City and surrounding areas. Employees of Cooper’s joint venture manufacturing facility in Mexico collected food and necessities for the victims, gathering three tons of provisions for distribution. A group of employees from the plant also traveled to impacted areas delivering food and supporting rescue teams. In addition, employees donated more than $4,000 to the Red Cross and Cooper made a donation of $10,000 to the Red Cross, designated for Mexico earthquake relief.

Natural disaster also impacted the United States in 2017, with Hurricane Harvey causing heavy damage to Texas in late August. In recognition of the immense need for assistance to the people of Houston, and in support of Cooper customers and supplier partners based in the area who were hard hit by the storm, the company made a donation of $25,000 to the Red Cross, designated to Hurricane Harvey relief efforts. Cooper employees also showed their generosity through personal donations and giving of their time, expertise and resources directly to victims through rescue and recovery efforts.

Beyond disaster relief, Cooper supports many ongoing needs in our communities. In the United States, Cooper supports the United Way which provides assistance to many individual non-profit groups doing important work. Cooper people, partners and the company raised nearly $700,000 for the United Way in 2017. In China, Cooper helps to fund Project HOPE, part of the China Youth Development Foundation. Our donations benefit more than 1,800 students and teachers in underprivileged areas by funding supplies, facility improvements, teaching tools and the construction of playgrounds at primary schools. In all, six schools have been assisted by Cooper’s donations, with two more currently under construction, and have in turn been named “Cooper Hope” primary schools.

In addition, Cooper matches employee donations in most locations across the globe to approved not-for-profit organizations.

MANUFACTURING EDUCATION
Dream It. Do It. is a program led by The Manufacturing Institute, the non-profit affiliate of the National Association of Manufacturers, designed to change the perception of careers in manufacturing to help fill the jobs pipeline with qualified future workers. In 2017, Cooper marked its third year participating in Dream It. Do It and activating the Cooper Dream Team, a group of early-career employees from our major facilities, to spread this message. Through grass-roots efforts such as career fairs and speaking engagements, the Dream Team led Dream It. Do It. events in our communities that reached more than 10,000 students.

DIVERSITY & INCLUSION
At Cooper, we strive to attract, engage and retain the most talented and high-performing employees. We provide an environment where the most outstanding people in the world feel welcome, respected and valued for who they are and for their contributions. We are passionate about helping to raise the level of respect and inclusion in our communities. We are an equal employment opportunity employer. We embrace our employees’ differences in age, sex, color, disability, ethnicity, family or marital status, gender identity or expression, sexual orientation, socio-economic status, veteran status and other characteristics that make each of them unique.

SCHOLARSHIPS
Cooper has two funds – the Centennial Scholarship and the Roy V. Armes Scholarship – dedicated to providing financial assistance to the children of Cooper employees in the United States moving from high school to colleges, universities and technical schools.

At Cooper, sustainability is part of The Cooper Way which embodies our core values:
Help Each Other Succeed, Have Engaged Communication, Be Agile, Provide World-Class Customer Service, Be Results Focused, and Do The Right Thing.

To ask questions about or comment on the 2017 Corporate Social Responsibility and Sustainability Report, contact:

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