



Formulation of Yokohama Rubber's Procurement Policy for the Sustainable Natural Rubber



Measures aimed at realizing stable, sustainable procurement of natural rubber

Working to make natural rubber a sustainable resource

Being able to procure natural rubber in a stable, sustainable manner is vitally important in order for Yokohama Rubber to be able to continue supplying our tires and other products to customers over the long term. In recent years, there has been a steady rise in demand for natural rubber – which is the main raw material used in tire manufacturing – because of the increasing global population and developments in the mobility sector. At the same time, there are growing concerns about illegal logging, land grabbing and human rights abuse, as well as about the negative impact that forest destruction and illegal logging have on biodiversity.

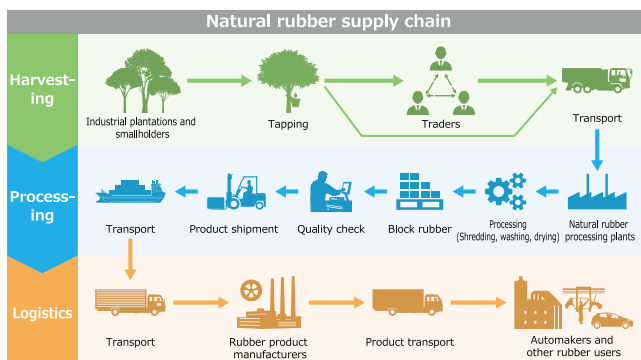
Recognizing our corporate social responsibility as a tire and rubber manufacturer, in 2017 Yokohama Rubber announced its support for the goals of the Sustainable Natural Rubber Initiative (SNR-i) advocated by the International Rubber Study Group (IRSG), and began participating in SNR-i activities. Yokohama Rubber is also a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR), initiated by the Tire Industry Project (TIP) of the World Business Council for Sustainable Development (WBCSD), and in October 2018 Yokohama Rubber formulated its own Procurement Policy for the Sustainable Natural Rubber.

Yokohama Rubber will share this policy across the entire supply chain with the aim of achieving sustainable natural rubber.

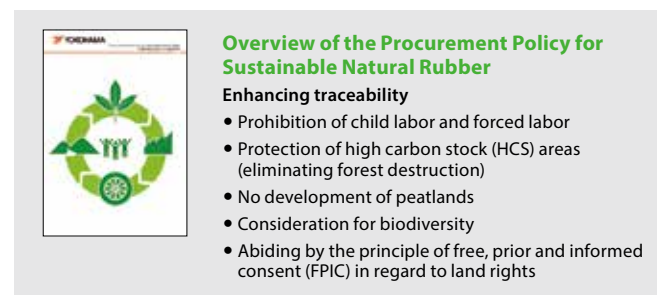
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The Procurement Policy for the Sustainable Natural Rubber specifies matters relating to the establishment of traceability and matters relating to human rights, labor, environmental protection etc., including both items to be undertaken by the Yokohama Rubber Group and items that suppliers will be requested to perform. The Yokohama Rubber Group is also undertaking a number of independent initiatives in this area, including an agro-forestry initiative by Yokohama Rubber subsidiary Y. T. Rubber Co., Ltd. (YTRC) to foster the adoption of sustainable agro-forestry techniques by farmers living in the vicinity of YTRC facilities, and projects utilizing the knowhow that Yokohama Rubber has accumulated through the implementation of the Yokohama Forever Forest initiative.

(<https://www.y-yokohama.com/global/csr/report/partner/>)



The natural rubber supply chain



TOPIC

Adoption of solar power generation (Yokohama Tire Philippines, Inc.)



The adoption of low-carbon energy sources is vitally important as a response to climate change. In the first half of fiscal 2019, Yokohama Tire Philippines, Inc. began adoption of a photovoltaic (PV) solar power generation system, utilizing the Joint Crediting Mechanism (JCM).

4,000kW (4MW) class solar panels have been installed on the roofs of Yokohama Tire Philippines' facility, in the locations that receive the most hours of sunshine, covering a total area of around 40,000m². It is anticipated that, once the solar panels are fully operational, they will provide energy savings equivalent to a reduction in CO₂ emissions of around 2.8kt per year, reducing the Philippines factory's annual CO₂ emissions by approximately 3.5%.

Realizing a reduction in CO₂ emissions of around 3.5% once the solar panels are fully operational

Yokohama Rubber's future initiatives

The Yokohama Rubber Group has launched a number of innovative activities aimed at realizing the sustainability of natural rubber. In Thailand, which is a major producing country of natural rubber, we have been undertaking joint research on natural rubber with several local universities since 2013, and we have also held Suppliers' Day meetings with natural rubber suppliers.

Y. T. Rubber Co., Ltd. (YTRC), a natural rubber processing plant operator which is a member of the Yokohama Rubber Group, has

adopted a cyclic water purification system that recycles the water used in the plant, and is making a concerted effort to safeguard the natural environment and maintain the trust of local residents.

In the future, we will be implementing activities based on the Procurement Policy for the Sustainable Natural Rubber together with all of our partners in the supply chain, aiming to take "Promoting CSR activities throughout the supply chain," which we have positioned as a key CSR issue, up to an even higher level.

Expectations from an international environmental NGO



The world is still losing natural forests at a rate of 7.6 million hectares per year. One of the reasons for this situation is the expansion of agricultural and forestry production; the unsustainable use of forest resources results in damage to ecosystems and social conflict, and exacerbates the problem of climate change.

Increasingly, companies involved in the procurement of raw materials that derive from natural resources are expected to verify the impact on the environment and on society, and to aim for more sustainable production and

utilization. Natural rubber is no exception; there is a movement towards improving traceability of raw materials, and to minimize, as far as possible, the negative impact of plantation development and management. Particularly important developments in this regard include the establishment of the Global Platform for Sustainable Natural Rubber (GPSNR) in October 2018, and the formulation by many companies – including Yokohama Rubber – of their own procurement policies.

WWF believes that the first step towards implementing sustainable procurement is the formulation of a clear procurement policy, and that this has an important role to play not only in procurement-related decision-making, but also in regard to engagement with suppliers, investors, NGOs and other stakeholders. However, the pursuit of sustainable procurement is no easy task, and takes time to achieve. Having formulated its own procurement policy, Yokohama Rubber could be said to be on the start-line; in the future, WWF hope that Yokohama Rubber will continue to make steady progress in implementing this policy through collaboration with its own supply chain and with the GPSNR, etc.



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