



Launching of Initiatives in Thailand to Foster Sustainable Natural Rubber Procurement



Significance of our initiatives

Natural rubber accounts for around 20% of Yokohama Rubber's raw materials consumption. 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 products to customers over the long term.

In order for the Yokohama Rubber value chain as a whole to operate sustainably on an ongoing basis, we are implementing activities to ensure stable procurement of ethically-sourced natural rubber going forward, while helping to safeguard ecosystems and the natural environment in natural rubber producing regions, and while giving due consideration to human rights issues.

Aiming to address the risks and social issues that affect efforts to make natural rubber a sustainable resource

The current state of our initiatives in Thailand

Agroforestry initiatives

45 plantations
(covering a total of 157 hectares)

No. of rubber farmers visited

101 farmers

Risks relating to natural rubber plantations

Natural rubber is cultivated in hot, humid regions within a belt extending roughly from 15 degrees south of the Equator to 15 degrees north of it, in areas that include Southeast Asia, Africa, and Central and South America. Approximately 80% of global output is concentrated in Southeast Asia, which is also a region renowned for its outstanding biodiversity. Natural rubber is used in the manufacturing of a wide range of products, including gloves, hoses, shoes, etc., but around 70% is used in tire manufacturing. As the process of motorization continues around the world, in the future demand for natural rubber can be expected to increase still further.

If natural forests are cut down in order to develop natural rubber plantations to meet this growing demand, then this will have a serious negative impact on local biodiversity. In some regions there are also concerns about illegal logging, land grabbing and human rights abuses such as child labor and forced labor.

Without clarity about where the natural rubber used in Yokohama Rubber products comes from, there is a risk that the company may unknowingly be contributing to unlawful behavior or environmental destruction. For this reason, it is vitally important to establish traceability, and to put in place a framework that will facilitate sustainable natural rubber production in each region.

However, taking Indonesia as an example, there are

approximately 6 million natural rubber farmers in the country, and the rubber that they produce is delivered to natural rubber processing factories through a complex network of middlemen that may include as many as eight levels of intermediaries, with a total of around 100,000 intermediary dealers involved. Establishing clear traceability is thus no easy task.

The main concerns in regions where natural rubber production takes place (based on an NGO survey)

- Negative impact on biodiversity (Sumatra and Borneo in Indonesia)
- Illegal logging (Cambodia)
- Illegal land seizures (the Mekong River valley, and Africa)
- Human rights violations



Rubber collecting (rubber tapping)

Yokohama Rubber's Initiatives to Date

In both 2016 and April 2018, Yokohama Rubber held Suppliers' Day meetings, at which our main natural rubber procurement partners were invited to Japan so that we could share our approach to sustainable natural rubber procurement with them. In January 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. In October 2018, Yokohama Rubber formulated and announced its own Procurement Policy for the Sustainable Natural Rubber. 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), which was launched in October 2018, and the GPSNR's 12 principles are reflected in the Procurement Policy for the Sustainable Natural Rubber.

Initiatives in Thailand

In Thailand, which is a major producer of natural rubber, Yokohama Rubber has been undertaking joint research on natural rubber with several local universities since 2013. Y.T. Rubber Co., Ltd. (YTRC), a Yokohama Rubber natural rubber processing firm located in Surat Thani Province in Southern Thailand, has adopted a water circulation and purification system that re-circulates and reuses the water used within the plant, and the firm has striven to safeguard the natural environment and maintain a relationship of trust with local residents. Since 2016, YTRC has been promoting the adoption of agroforestry* techniques to help natural rubber farmers maintain a stable income.

In an activity that reflects the 12 principles of the GPSNR and the Procurement Policy for the Sustainable Natural Rubber, YTRC has launched farm surveys in the Surat Thani region where YTRC is located. To date, YTRC has visited around 100 farms, undertaking surveys with regard to illegal logging, child labor and forced labor, etc., and aiming to spread awareness of Yokohama Rubber's initiatives to make natural rubber a sustainable resource.

In addition to these measures, in January 2020 YTRC signed a memorandum of understanding with the Rubber Authority of Thailand (RAOT) to collaborate on efforts to enhance traceability, so as to provide support for the operation of natural rubber farms and ensure a sound, transparent supply chain.

* Agroforestry is an agricultural technique that involves planting a mixture of different crops and trees within the same plantation.



Signing the memorandum of understanding with RAOT

Agroforestry initiatives

From when a rubber tree seedling is planted until the tree is mature enough for rubber to be harvested from it takes around 5 – 6 years. By adopting agroforestry – which YTRC has been supporting the dissemination of – rubber farmers can obtain income from other crops during the period in which they are waiting for rubber trees to come to maturity. Once the rubber trees can be harvested from, the wide variety of additional crops that have been planted in the plantation will continue to help ensure a stable income for the farmer.

Rubber trees experience a phenomenon called “wintering,” in which the leaves fall off all of the rubber trees at the same time after a given period of time. Outside the wintering period, very few leaves fall, and because there is no ground litter (formed by the decomposition of fallen leaves by insects and micro-organisms) covering the earth, steps need to be taken to prevent the soil from drying out. With agroforestry, a wide range of other crops are rooted in the soil, and the soil becomes an attractive habitat for micro-organisms that break down the leaves and twigs that fall from these other plants, all of which helps to improve the soil environment. The decomposed leaves and twigs can also be used as fertilizer for the rubber trees, which contributes to cost reductions for the farmer.

Specific measures implemented

- 1. Ongoing implementation of environmental and social surveys of natural rubber plantations**
500 farms by 2022
- 2. Studies aimed at the realization of traceability**
Implementation of a pilot project in the Surat Thani region of Thailand
- 3. Provision of support for farmers**
Provision of training in the Surat Thani region in collaboration with RAOT, and implementation of farm management support measures

Key issues and our vision for the future

Natural rubber is a carbon-positive resource (i.e. one that helps to absorb and sequester carbon dioxide), and it has also formed an industry that underpins the local economy in many places. The main use for natural rubber is in the manufacturing of tires, which play a vital role in supporting motorization – in other words increased mobility for both people and goods – throughout the world, and which also constitute the only part of a vehicle that actually touches the earth. Tires are responsible for all of a vehicle's key functions of moving, turning and stopping, and as such demand for tires will continue to increase steadily in the future.

In order to maintain a stable supply of natural rubber moving forward, without the destruction of forests to create new plantations and without land-grabs, etc., Yokohama Rubber will continue to roll out activities rooted in the communities where natural rubber is produced, in partnership with all stakeholders with an interest in natural rubber.