Yokohama Rubber's Sustainability

In 2008, Yokohama Rubber developed the CSR Management Vision and CSR Action Guidelines to promote CSR and sustainability management, and established the CSR Div. as the responsible division, as well as the CSR and Environmental Promotion Council (currently the CSR Council) chaired by the President, Chairman of the Board, to oversee CSR management. In 2014, based on the four areas and 10 principles of the United Nations Global Compact* and other international norms, we established the Yokohama Rubber Group Action Guideline, identified themes that have a significant impact on or are of high interest to both Yokohama and its stakeholders as material issues and iterated on the PDCA cycle while making continuous improvements to achieve those goals. In 2017, our 100th anniversary, we developed a CSR slogan, and have been aiming to achieve sustainable growth over the next 100 years in order to contribute to the realization of a sustainable society through our business activities.

* The United Nations Global Compact is the world's largest sustainability initiative in which the UN and the private sector join forces to build a healthy global society and requires participating companies to put into practice the Ten Principles in the four areas of human rights, labour, the environment and anti-corruption.

CSR Management Vision
(Developed 2008)

"To build a trusted identity as a contributing member of the global community."

CSR Action Guidelines
(Developed 2008)

- Identify continually changing social trends.
- Ascertain the items that can contribute.
- Act swiftly to earn affirm trust.
- Practice CSR in one's own work.

Yokohama Rubber Group Action Guideline* (Developed 2014)

- We shall respect human rights inside and outside the company.
- We shall create workplaces that are safe and healthy.
- We shall harmonize our activities with the global environment.
- We shall provide safe and high-quality products and services.
- We shall conduct corporate activities with a high transparency and practice proper disclosure of information.
- We shall observe not only laws and regulations but also social norms.
- We shall aspire to harmony and prosperity with local communities.

* Only items listed. See the Yokohama website for details.
https://www.y-yokohama.com/global/csr/feature/

CSR Slogan
(Developed 2017)

"Caring for the Future"

Process for Identifying Important Issues (Materiality)

Towards complying with Version 4 of the Global Reporting Initiative Guidelines (G4), the international guidelines for sustainability reporting, in 2014 Yokohama identified important issues (material aspects) in light of internal discussion and stakeholder feedback. Reviews of these important issues were undertaken in 2017 and 2020 in response to environmental changes and other developments, and we will continue to make revisions as needed in the future.

STEP 1 | G4 Gap Analysis

We referenced the G4 demands in relation to current information disclosure levels in CSR Report 2013 and ascertained the current status of compliant and non-compliant items. (Implemented January 2014)

STEP 2 | Prioritizing Issues

An analysis was conducted in accordance with the industries, business sectors and regions in which Yokohama operates. Following the analysis, priorities were assigned to the issues at Yokohama through discussions with related business units. (Implemented January to February 2014)

STEP 3 | Reflecting External Perspectives in the Priority of Issues

Interviews were conducted with five stakeholders. Based on the results of the interviews, priorities were determined from each aspect. (Implemented February to March 2014)

STEP 4 | Determining Important Issues

In light of the degree of importance analysis, research and discussions conducted in steps 2 and 3, the important issues were determined in 2014.

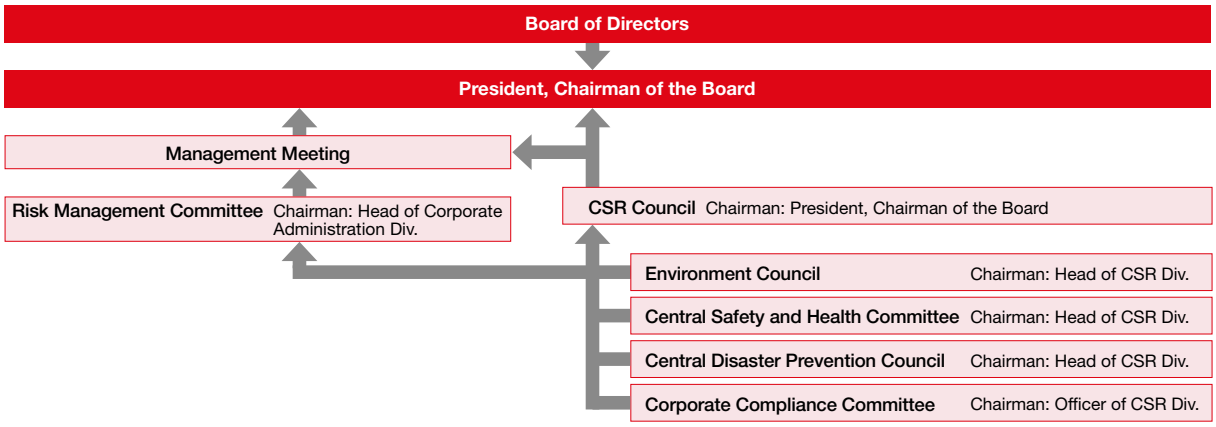
■ Important Issues (Materiality) (Determined in 2014, Revised in 2017 and 2020)

Products	Deliver enjoyment and peace of mind.
The Earth	Leave a sound environment to future generations.
People	Build on each other's strengths.
Community	Earn the confidence of our neighbors.
Corporate Governance	Lay a solid foundation for fulfilling social expectations.

CSR and Sustainability Promotion System

The CSR Council, which is chaired by the President, Chairman of the Board and attended by all executive members of the Board and Audit and Supervisory Board members, convenes twice a year (in May and November), and is positioned to draft and consider matters concerning the CSR issues (environment, occupational health and safety, disaster prevention, quality, compliance, social contribution, etc.) to be addressed by the Yokohama Group. The Environment Council, Central Health and Safety Committee, Central Disaster Prevention Council, Corporate Compliance Committee and other meeting bodies have been established to formulate and consider action on individual CSR issues, and to formulate and implement more detailed plans and measures. In addition, those CSR issues that are of a serious and urgent nature are handled in coordination with the Risk Management Committee.

■ CSR and Sustainability Promotion Structure



Material Issues (Materiality) and Improving Medium-to-Long-Term Corporate Value

Based on its CSR slogan of "Caring for the Future," Yokohama links the five Material Issues of "Products," "The Earth," "People," "Community" and "Corporate Governance" with its business strategy, and in keeping with its Basic Philosophy, "To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products."

In addition to initiatives aimed at carbon neutrality and the circular economy, we tackle all important issues under ESG, including biodiversity, social contribution, coexistence with local communities, respect for human rights, diversity and corporate governance, and link these efforts with the sustainable improvement of corporate value.

Basic Philosophy: To enrich people's lives and contribute to their greater happiness and well-being by devoting our wholehearted energies and advanced technology to the creation of beneficial products.

The Earth
Leave a sound environment to future generations
- Biodiversity conservation
- Corporate contribution

Community
Earn the confidence of our neighbors

Carbon neutrality
Zero CO_2 emissions from the production of OE tires

Circular economy
Expand use of sustainable materials in motorsports tires

Coexistence with nature
- YOKOHAMA Forever Forest
- Support for sustainable naturel rubber procurement

Products
Deliver fun and peace of mind

Provide high-value-added
High quality +
High performance +
Sustainability

People
Build on each other's strengths
- Respect for human rights
- Diversity & inclusion
- Work-style reforms
- Staff training
- Employees' health & safety

Corporate Governance
Lay a solid foundation for fulfilling social expectations
- Medium-term performance-linked remuneration system
- Diverse Board of Directors
- Stronger risk management
- Stronger compliance system

TOPIC

Selected as a Constituent Stock of the FTSE Blossom Japan Sector Relative Index

Yokohama was selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index, an equity index designed to reflect the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices. This index has been selected by Japan's Government Pension Investment Fund (GPIF) as one of the indices that guide its ESG-based investments.

Yokohama is also a constituent stock in two other ESG indices used by the GPIF to guide its investment in Japanese companies—the FTSE Blossom Japan Index, in which Yokohama has been a constituent for five straight years, and the S&P/JPX Carbon Efficient Index. The Company's stock has also been included in the FTSE4Good Index Series, a global family of ESG-based investment indices, for 17 consecutive years.

People I (Respect for Human Rights, Diversity & Inclusion)

Yokohama Rubber respects human rights both internally and externally and develops employee-friendly environments in which everyone can be safe and secure. We aim to be a company in which people can fully demonstrate their abilities, regardless of gender, nationality, age or other attributes.

Respect for Human Rights

Basic Approach

Human rights are fundamental rights afforded to all people, and since the Yokohama Rubber Group's business involves a very large number of people through its supply chain, there are a wide range of human rights that must be respected. With the globalization of our business activities, our interactions with various people have increased, and the possibility of direct or indirect impact on human rights violations has also increased.

For this reason, we believe it is important to fulfill our responsibility to respect human rights while taking into consideration the scope of such impact. Accordingly, we have established the Yokohama Rubber Group Action Guidelines to indicate our internal and external efforts to respect human rights and to define the actions to be taken by our employees.

Furthermore, based on the United Nations Guiding Principles on Business and Human Rights*, we have formulated the Yokohama Rubber Group Human Rights Policy and are promoting initiatives aimed at respecting the human rights of all people involved in our business activities.

The Yokohama Group recognizes the importance of implementing Group-wide efforts to respect human rights as the basis of our business activities in order to contribute to the realization of a sustainable society as a company that is widely trusted by society.

* The Guiding Principles on Business and Human Rights were approved by the United Nations Human Rights Council in 2011 as a framework for respect for human rights applicable to all nations and all companies. The Guiding Principles place "the responsibility of companies to respect human rights" as an important pillar of the Guiding Principles, along with "the obligation of states to protect human rights."

Respect for International Human Rights Norms

The Yokohama Group supports and respects the International Bill of Human Rights, which includes the United Nations Universal Declaration of Human Rights that stipulates the fundamental human rights equally entitled to; the Guiding Principles on Business and Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which stipulates fundamental labor rights (freedom of association, the right to collective bargaining, prohibition on forced labor, effective abolition of child labor and the elimination of discrimination in employment and occupations); and the ILO MNE Declaration (Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy). Note that the Yokohama Rubber Group Human Rights Policy has been formulated based on the United Nations Guiding Principles on Business and Human Rights.

- **The Yokohama Rubber Group Human Rights Policy**
  (Established on April 2022)

1. Positioning of the Human Rights Policy
2. Respect Human Rights
3. Implementation of Human Rights Due Diligence
4. Issues Related to Human Rights
5. Grievance Mechanisms
6. Education
7. Information Disclosure

* Only items listed. See the Yokohama website for details.

WEB

■ The Yokohama Rubber Group Human Rights Policy
https://www.y-yokohama.com/global/csr/people/human_rights/policy/

Major Human Rights Issues

The Yokohama Group has identified the following six issues as major human rights issues related to its business activities and works to take corrective action to prevent or mitigate their adverse impacts.

1. Discrimination

The Yokohama Group does not, under any circumstances, engage in any form of discrimination on the basis of nationality, race, ethnicity, gender, age, disability, social background, gender identity, sexual orientation, political views or otherwise.

2. Harassment

The Yokohama Group does not tolerate conduct that unreasonably harms the dignity of workers or any form of harassment, whether mental or physical.

3. Forced labor and child labor

The Yokohama Group does not tolerate any form of modern slavery in its business activities in any country or region, including child labor below the working age stipulated by the laws of the relevant country, forced labor and human trafficking.

4. Freedom of association and right to collective bargaining

The Yokohama Group respects the rights granted to workers including freedom of association and the right to collective bargaining, and endeavors to build, maintain and improve trust and healthy cooperative relationships through a dialogue between labor and management.

5. Occupational health and safety

We regard health and safety as the basis of everything we do, and make every effort to prevent occupational accidents and create a workplace that is healthy and comfortable both mentally and physically.

6. Impact on local communities

The Yokohama Group acknowledges that there are matters concerning land rights, water management, the rights of indigenous peoples and other issues in the local communities that are affected by its business activities. In the local communities in which we operate, we will fulfill our responsibilities to respect human rights and aim to make sustainable contributions to the community.

Diversity & Inclusion

Basic Approach

Yokohama aims to create an employee-friendly environment where employees can fully demonstrate their abilities, regardless of gender, nationality, age or other factors.

In 2016, we established the Women's Participation and Advancement Taskforce, and in 2019 it was renamed as the Diversity Promotion Taskforce to coincide with an expanded scope of activities. Through activities to raise awareness of diversity and inclusion (D&I), the task force works to create a corporate culture in which a diverse range of human resources can succeed while accepting and respecting one another, and strives to create new value beyond conventional boundaries.

Specifically, we promote the advancement of women, provide support for child and family caregivers, conduct seminars to facilitate the acceptance and understanding of people with disabilities and LGBTQ+*, and promote the development of workplace environment that is comfortable for a diverse range of human resources.

* LGBTQ+: An umbrella term describing sexual minorities including those who identify as lesbian, gay, bisexual, transgender, transsexual or questioning.

D&I Measures

To achieve our vision, we have implemented the following measures.

Recruitment from Many Sources

We recruit new graduates on a stable basis reflecting a long-term perspective. Based on our business needs, we also recruit experienced talent (mid-career hires). In addition, we promote and assign the most appropriate human resources for each job from various perspectives, including older human resources and early internal appointments.

Employment of Persons with Disabilities

In the employment of persons with disabilities, to date we have focused on jobs in which people can succeed regardless of disabilities within our existing operations, and have periodically accepted new graduates at each business site. Going forward, we will continue to develop new business operations as we broaden the scope of employing persons with disabilities.

Employment of Older Human Resources

Yokohama Business Association Co., Ltd., a wholly owned subsidiary of Yokohama Rubber, rehires staff members who have reached mandatory retirement age and dispatches them to Yokohama. This provides an opportunity for employees with a strong willingness to work to continue to flourish utilizing their extensive knowledge and experience until they reach age 70.

Support through Seminars and Other Activities

We conduct various seminars designed to support the successes of a diverse range of human resources, including seminars to strengthen diversity management capabilities, career development support seminars designed to promote female advancement, exchange sessions between employees balancing their careers with child-rearing and health seminars (mental health measures, harassment prevention measures, breast cancer, uterine cancer, menopause, sleep disorders, etc.).

Participation in work with Pride 2021

Yokohama was one of the companies participating in the work with the Pride 2021 Organizing Committee formed by work with Pride, a voluntary group that supports the promotion and instilment of diversity management relating to sexual minorities such as LGBTQ+ at the workplaces of companies, groups and other entities. The committee conducted activities to plan and operate a conference about LGBTQ+ and the workplace.

work with Pride

Future Tasks

•Global Diversity

At the Yokohama Group, where overseas sales account for 60% of all sales, we recognize the need for organizational structures in which local human resources well versed in the local language and culture operate business as regional managers in order to prevail amid global competition. We will also do more to develop workplace environments that enable foreign nationals working at our domestic sites to succeed.

•Improving the Percentage of Managerial Positions Filled by Women

As of December 31, 2021, the percentage of managerial positions filled by women at Yokohama was 1.12% (8.53% Groupwide). However, since fiscal 2007 when the percentage of new graduate hires who were female surpassed 20% for the first time, the employees who have joined Yokohama are increasingly candidates for managerial positions, and going forward, we expect the number of female employees in managerial positions to increase. We also utilize an early promotion system with the aim of further facilitating the success of female management personnel.

TOPIC

Employing People with Disabilities through Yokohama Peer Support Co., Ltd.

Yokohama Peer Support is a special subsidiary of Yokohama Rubber and was established in 2012 to create opportunities to employ persons with disabilities. The services performed by its employees include the cleaning of more than 160 locations in the Hiratsuka Factory such as restrooms, various meeting rooms and break areas, greening work, the sorting and dispatching of postal and internal mail, and the creation of business cards. Recruitment has continued periodically each year since the company's establishment, and as of December 2021, the company employs 43 people, mainly those with intellectual disabilities.

By having instructors who mainly comprise past employees of Yokohama who carefully guide these employees each day, we strive to create a workplace environment in which each person can go about their duties with peace of mind. Additionally, not only offering regular consultations but also individual interviews twice a year, we endeavor to stay abreast of employees' career goals, requests or concerns and improve the employee retention rate.

People II (Workstyle Reforms, Human Resources Development, Occupational Health and Safety)

Yokohama Rubber respects diverse styles of working and supports its employees in finding a healthy balance between work and home life. We also strive to enhance the value of human capital by developing and selecting added-value talent, assigning the right people to the right jobs, and creating a pleasant workplace where people can work in good health.

Workstyle Reforms

Integration of the Head Office and Hiratsuka Factory

In March 2023, we plan to integrate the Head Office and Hiratsuka Factory. By doing so, we will achieve the unified operation of planning, production, sales, technology and distribution, and enable speedy decision making.

■ Achieving Speedy Decision Making through Site Integration

Executing Operations Regardless of Time or Location

Today, as we seek ways to "New Normal of living with COVID-19," Yokohama will use the integration of the Head Office and Hiratsuka Factory as an opportunity to introduce home office and satellite office schemes, upgrade work-at-home and flex work systems, and drive other workstyle reforms that will allow people to continue working regardless of time or location, and even when undergoing various life events.

Specific Measures

Home Office Scheme

Following the integration of the Head Office and Hiratsuka Factory, we will introduce a Home Office Scheme where employees who end up having to commute long distances will have offices developed at their homes at Yokohama's cost and will basically work from home without maintaining a fixed desk at the office.

Establishment of Tokyo Office and Satellite Offices

In connection with the integration of the Head Office and Hiratsuka Factory, a Tokyo Office at Shinagawa Intercity and satellite offices will be established.

Upgrading of Work-from-Home and Flexible Work Systems

By making enhancements to working systems, such as removing the upper limit on the number of days that can be used with the work-from-home system, instituting a flex-time system that eliminates core hours and offering a flex-time system with shortened working hours, we will further improve employees' work-life balance and put in place systems that enable them to produce work results regardless of time or location.

Human Resources Development

Basic Approach

For the global Yokohama Rubber Group, assigning "professional human resources" who maintain a strong willingness to achieve and broad perspective, and who demonstrate their capabilities while impacting those around them, is essential. To this end, we promote measures toward development and select talent, and ensure that the right people are placed in the right jobs.

We also work to secure and develop management-oriented human resources who can carry the company on their shoulders so that we can prevail amid global competition.

Developing and Selecting Value-Added Human Resources

We will develop young employees as value-added human resources, and quickly promote selected human resources to important positions on an irregular basis with a focus on performance.

Assigning the Right People to Important Positions

We will assign the right people to important positions based on their achievements, and when the right person cannot be found internally, actively hire high-level staff from outside.

Linking Compensation with Duties and Performance

We will introduce a job-based system for managerial positions and adopt a compensation structure where salary is paid based on duties, and bonuses are paid based on performance.

Message from the Officer in Charge of Human Resources

Shingo Ishimitsu

Officer, Head of HR Dept.

To achieve the YX2023 business strategies and technology strategy, we must create an environment in which a diverse range of human resources can leverage their individual strengths and succeed to the fullest. To do so, I believe the important challenge we face is eliminating prejudices based on gender, LGBTQ+, disabilities and other attributes, as well as fostering a corporate culture where a diverse range of human resources can mutually respect their wide variety of working styles.

While COVID-19 has brought significant changes to the way we work, we will adapt to these changes and develop environments to ensure that all employees can succeed even more. We will also create workplaces where employees can continue to work with peace of mind as we balance comprehensive measures to prevent the spread of infection with business continuity. All of our activities are rooted in the health of our employees, and we will continue with diligent health promotion efforts.

Occupational Health and Safety

Basic Approach

Occupational accidents within the Yokohama Group occur at a lower frequency than the averages across all industries and the manufacturing sector, but the number is still not zero, and when the causes of these accidents are analyzed, we recognize that many of them could have been prevented if measures had been taken in advance. As it is necessary to handle large machinery at our production plants due to the nature of our business, defects in equipment specifications or incorrect operation can lead to serious accidents, and appropriate safety measures need to be taken. Additionally, with mental conditions accounting for an increasing proportion of long-term absences from work, we must properly look after the mental health of employees in addition to their physical wellbeing.

The Yokohama Group strives to develop safe and comfortable workplaces and promote employee health, and also aims to foster a culture of safety to remove all hazards, and achieve zero occupational accidents.

Measures for Achieving Our Vision

We will implement the following seven measures to create workplaces that enable employees to work in a safe and healthy manner.

1. Strengthening safety measures for equipment and work
Implement risk assessments for all equipment and work, and create facilities so that sources of danger cannot reach or be reached by human bodies, and for the prevention of recurrence of similar accidents.

2. Developing safety-conscious human resources
Conduct One-on-One education to develop safe personnel. Reinforce Stop-Call-Wait procedure and countermeasures in response to risk causes. Implement KYT (Kiken Yochi Training/hazard prediction training), sampling and improvement of near-miss incidents, and hazard demonstration training in order to improve sensitivity towards risks.

3. Development of standard work manuals
Identify unsafe places and unsafe behaviors and review standard work through open work observation.

4. Promoting both physical and mental health
Strengthen mental health countermeasures (management of working hours, face-to-face guidance and work improvement suggestions for employees working long hours, education for improving communication skills through attentive listening training classes and conducting stress checks).

5. Improvements in workplaces
Carry out chemical substances risk assessment, improvements in personal protective equipment and facilities, development and working methods, and thoroughly enforce the 5Ss (seiri [tidiness], seiton [being organized], seisou [cleanliness], seiketsu [hygiene], and shitsuke [discipline]) and improve of high temperature work environment.

6. Prevention of traffic accidents
Conduct accident prevention activities and identify risk points on commuting routes in order to achieve the target of zero accidents resulting in injury or death.

7. Establishment of a safety and health platform
Ensure continuation and spiral up of Occupational Health and Safety Management System, development of training system for each level, enhancement of the checking function through top management diagnosis, safety patrols, safety diagnosis and diagnostic follow-up.

Future Tasks

•Creating a Zero-Risk Workplace

We continually conduct risk assessments on all facilities and tasks and implement safety measures for equipment that place a particular emphasis on “isolation from hazard sources.”

By implementing ongoing safety education, conducting risk prediction training, introducing a certification system for hazardous work and through other efforts, we develop safety-conscious human resources who have a sensitivity toward risks and aim to create a zero-risk workplace.

•Improving the Environment at Manufacturing Sites, including Measures to Deal with Heat

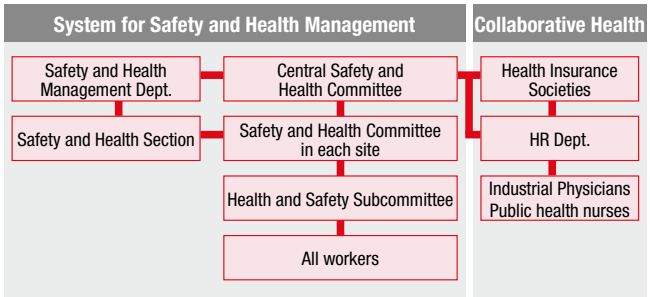
As many Yokohama sites use heat in the manufacturing process, measures to deal with heat are one of the most important challenges. In addition, to create a healthy and comfortable workplace, we also take measures to improve hygiene and the quality of cafeterias, as well as to save on labor and lighten workloads.

•Promoting Health and Productivity Management

To create a workplace where employees can work for a long time in good health, we tackle health and productivity management through Collaborative Health* in conjunction with health insurance societies and promote improved health and physical fitness.

* Collaborative Health: An approach where insurance providers and business operators actively collaborate to efficiently and effectively implement prevention and health development for insured employees based on a clear division of roles and a good workplace environment

■ Health and Productivity Management Structure



Community

The business activities of the Yokohama Rubber Group impact various aspects of the local communities in which we operate. To continue our business activities, it is of the utmost importance that we meet the expectations of local communities by communicating with them, and recognizing the issues they face and how the Yokohama Group impacts them. We recognize that the Yokohama Group itself is a stakeholder in these regions in which it operates and has a shared interest with those local communities. We therefore want to make every effort to solve issues in these local communities and contribute to their development.

Basic Approach

In the Yokohama Rubber Group Action Guidelines, the Yokohama Group declares that we "shall aspire to harmony and prosperity with local communities." Our basic stance is to always remember that we are a member of society, strive to achieve harmony and prosperity with society, build relationships of trust with stakeholders, support the social contribution efforts of employees and foster a corporate culture in which employees are willing to actively participate in social contribution activities.

As an entity that operates globally, the Yokohama Group endeavors to build good relationships with local communities in terms of the environment, laws, culture, customs and the economy.

YOKOHAMA Magokoro Fund

•Giving shape to the sincerity (Magokoro) of employees

The YOKOHAMA Magokoro Fund, which was established by employees in 2016, collects reserve funds from employees (members) who support the purpose of the fund (arbitrary amounts starting from 100 yen per month), and makes donations to support groups tackling social issues or as relief funds in the wake of disasters. Yokohama has also introduced a system to match any donations made by the fund yen-for-yen.

As of December 31, 2021, around 44% of employees are enrolled as members of the fund.

YOKOHAMA®
まごころ基金

•Support provided in fiscal 2021

In 2021, support provided by the fund totaled 4,898,000 yen (including disaster relief funds).

The main recipients of support were as follows.

- Japan Hair Donation & Charity　Nonprofit Organization
- Public interest incorporated association Chance for Children
- 2021 Izusan Landslide (Atami-shi, Shizuoka Prefecture)

Set of medical wigs provided by the Japan Hair Donation & Charity

Initiatives at Domestic Sites

•Medical assistance in response to the COVID-19 pandemic

In March 2021, the Hiratsuka Factory donated 100 passenger vehicle tires to Kanagawa Prefecture. The donated tires were fitted to the dedicated vehicles used to transport COVID-19 patients used at 21 health department facilities throughout the prefecture. The YOKOHAMA Magokoro Fund also provided support in the amount of 100,000 yen to cover some of the costs of changing tires.

In June 2021, the Mie Plant donated 40 passenger vehicle tires to Mie Prefecture. The donated tires were fitted to government vehicles used to transport COVID-19 vaccines procured by Mie Prefecture to vaccination sites such as hospitals and public health centers.

Work to fit tires to dedicated COVID-19 patient transportation vehicles in Kanagawa Prefecture

Initiatives at Overseas Sites

•Support for the Laojunshan Project (China)

Yokohama Rubber (China) Co., Ltd. (Y-CH), the controlling subsidiary of Yokohama in China, has been supporting the Laojunshan Project since 2011. The project aims to preserve biodiversity in the Laojun Mountain Nature Reserve located in Lijiang, Yunnan Province.

Laojun Mountain is a mountainous area surrounded by lush nature that was registered as a World Natural Heritage Site in 2003. The Laojunshan Project is a unique effort that aims to preserve the ecosystem by transforming a village located in the nature reserve that previously could only make a living through deforestation into an agricultural and livestock production-based economy.

Y-CH supports the project in coordination with the Lijiang Health and Environment Research Center, and has established a "Village Bank" to provide the loans necessary to convert to agricultural and livestock production, donated equipment, launched a sales organization and established mechanisms enabling village residents to turn their produce into revenue, including support for youth education. There is also a focus on passing on the folk culture of the Lisu people, an ethnic minority living in the Laojun Mountain area. The project provides tools for making traditional textiles and musical instruments, conducts workshops and donates ethnic musical instruments.

The Yokohama Group will continue to support the Laojunshan Project and efforts to pass on the culture of ethnic groups while facilitating efforts to establish a good cycle of the environment, economy and culture.

Village Bank

•Educational support for schools (India)

The Tirunelveli Plant of ATC Tires Pvt. Ltd. (ATG-TN), an India-based tire manufacturing subsidiary, is providing support for infrastructure development and digital education at multiple schools.

Educational support for elementary schools in India

•Disaster relief (Thailand)

Y.T. Rubber Co., Ltd. (YTRC), a Thailand-based natural rubber processing subsidiary, has been supporting the residents of nearby villages who were affected by flooding in 2021 by providing rice and fresh water.

Distribution of relief supplies to regions affected by flooding in Thailand

TOPIC

Completion of tree planting for forest tide embankment

Utilizing the expertise in tree planting gained from YOKOHAMA The Forever Forest Activities, in April 2022 the development of forest tide embankments along the Kozuchi River in Otsuchi, Iwate Prefecture, which started in 2012, was completed as part of relief activities in the wake of the Great East Japan Earthquake.

Tree planting activities have been held nine times, between interruptions due to the COVID-19 pandemic, attracting local residents of Otsuchi, students of Otsuchi Gakuen and employees of Yokohama as volunteers. Seedlings grown and planted from seedlings collected from the local Otsuchi area and Tohoku region numbered 25,000 in total along a stretch roughly 300 meters long, and seedlings planted in 2012 when the last children to take part in the tree planting efforts were born have grown to a height of five meters, rising to a height that provides thick shade from the sun.

The forest tide embankment, given the name "Heisei Forest," features trees that are approximately five meters high and around 15 meters in width, with rubble from the earthquake spread out as a foundation and covered with soil. In addition to the interest of biodiversity preservation, growing the trees to large sizes is expected to sap the energy of tsunami waves.

Yokohama will continue to work with local volunteers to conduct weeding and improve the environment.

The Earth

Yokohama has established three pillars in tackling environmental issues: carbon neutrality, circular economy and coexistence with nature, and set medium-to-long-term targets for each of them, and laid out a roadmap for achieving them. Yokohama will accelerate efforts towards a decarbonized society while conducting research and development into sustainable materials and expanding their usage percentage, and contribute to the realization of a sustainable society through biodiversity preservation activities.

Yokohama Rubber Basic Environmental Policy	Following the principle of "dealing fairly with society and valuing harmony with the environment", we shall assert our world-class strengths in technologies for protecting the environment.

- Continued improvement of environmental management
- Action to combat global warming
- Contributing to the creation of a sustainable recycling society

Three Pillars of Environmental Issues	As part of ESG management under the YX2023 medium-term management plan, we have established the slogan of "Caring for the Future" and pursue activities based on the following three pillars.
	Medium-to-Long-Term Goals and the Road Map for Achieving Them
Carbon Neutrality	•2030: 38% reduction (compared with 2013 levels) in CO_2 emissions from our own activities •2050: Net zero CO_2 emissions from our activities
Circular Economy	•2030: At least 30% renewable/recycled raw material usage •2050: 100% sustainable raw materials
Coexistence with Nature	•YOKOHAMA Forever Forest Activities: 1.3 million cumulative trees planted and saplings provided by 2030 •Promotion of sustainable natural rubber procurement •Biodiversity preservation activities compatible with local ecosystems

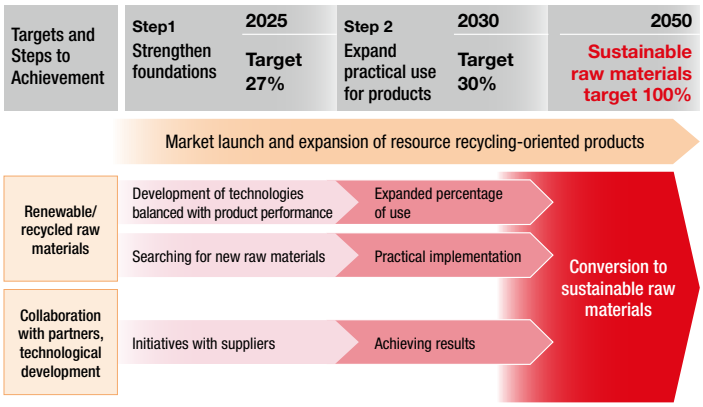
Initiatives to Achieve Carbon Neutrality

We aim to reduce CO_2 emissions from our own activities by 38% compared with 2013 levels by 2030, and achieve net zero CO_2 emissions by 2050. At our production sites, we will use the Shinshiro-Minami Plant as a model plant for achieving carbon neutrality by 2030, roll out that know-how to other plants in Japan and overseas and strive to achieve carbon neutrality across all plants by 2050. As a company-wide activity beyond manufacturing sites, we will continue to implement 1% annual in-house improvement activities that promote improvements and revisions to facilities, equipment and transportation processes, and aim to achieve carbon neutrality.

The Shinshiro-Minami Plant serving as a model plant for carbon neutrality

Initiatives to Tackle the Circular Economy

We will strive to make the raw materials we use sustainable, achieve at least 30% renewable/recycled raw material usage by 2030 through collaboration with partners and technological development in addition to our own exploration and development, and aim to achieve 100% sustainable raw materials by 2050. Specifically, we will aim to develop technologies for the highly efficient synthesis of butadiene from ethanol and the production of butadiene and isoprene from biological resources, and develop technologies for tires that use sustainable materials in our motorsports endeavors, with the aim of balancing product performance with the circular economy.



Roadmap to a Circular Economy

Initiatives Promoting Coexistence with Nature

•YOKOHAMA Forever Forest Activities

YOKOHAMA Forever Forest Activities were started in 2007 as an effort to plant 500,000 saplings utilizing potential natural vegetation at production and sales-related sites in Japan and overseas by 2017, the 100th anniversary of Yokohama. Starting with tree planting activities implemented on November 11, 2007 at the Hiratsuka Factory, we planted trees at 14 sites in Japan and 21 overseas sites in eight countries, reaching the target of 500,000 trees in September 2017. By the end of 2021 we had planted 628,000 trees and provided 462,000 saplings, for a combined number of 1.09 million. We will promote these activities at each site in Japan and overseas as an ongoing effort, and continue with activities to reach our combined target of 1.3 million trees planted and saplings provided by 2030.

Leveraging the knowledge we have accumulated to date, we hope to contribute to efforts to curb global warming and preserve biodiversity by continuing with this initiative through tree planting activities at factories and other sites, and the provision of seedlings and tree planting expertise.

•Sustainable natural rubber procurement

Natural rubber accounts for around 20% of the raw materials used by the Yokohama Group, and as a raw material it is essential for us to provide customers with our products without interruption. To fulfill our responsibility as a global tire manufacturer, Yokohama takes part as a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR)*1, which was launched at the initiative of the Tire Industry Project (TIP)*2 as part of the World Business Council for Sustainable Development (WBCSD)*3. In October of the same year, we also formulated our own Procurement Policy for Sustainable Natural Rubber.

Based on the Procurement Policy for Sustainable Natural Rubber, the Yokohama Group works to establish traceable system, protect human rights, labor and the environment, and engage in related activities.

The Yokohama Group also engages in its own unique initiatives, including agroforestry efforts where our subsidiary Y.T.RUBBER CO.,LTD.(YTRC) provides support for widespread adoption to neighboring farms, and the provision of expertise cultivated through YOKOHAMA Forever Forest Activities.

*1 GPSNR: Global Platform for Sustainable Natural Rubber
*2 TIP: Tire Industry Project
*3 WBCSD: World Business Council for Sustainable Development

•Activities to preserve biodiversity

The Yokohama Group strives to preserve biodiversity from a long-term perspective, based on the recognition that it uses biological resources such as natural rubber and that its business activities impact biodiversity.

At our plants, we create biotopes, engage in the Forever Forest activities in coordination with local residents and conduct monitoring to assess our business impact through surveys of living creatures. A total of five sites (Hiratsuka Factory, Onomichi Plant, Ibaraki Plant, Mie Plant and Shinshiro Plant) have obtained Office in Harmony with Nature® certification (ABINC certification) from the Association for Business Innovation in Harmony with Nature and Community (ABINC).

TOPIC

Engagement Events with Suppliers

As a part of activities to procure sustainable natural rubber, Yokohama conducts many engagement events around the world, including seminars and Suppliers' Day activities for natural rubber suppliers.

The Suppliers' Day in May 2022 was held in an online format, but 180 representatives from natural rubber producers, trading firms and other organizations took part from around the world. We have asked suppliers for cooperation on specific initiatives as part of our sustainable natural rubber procurement activities, deepened shared understanding with suppliers and strengthened partnerships by recognizing suppliers that have made particular contributions.

In June, as a part of our farm support activities, we conducted seminar events on improving the quality and productivity of natural rubber for natural rubber farmers in Thailand. The natural rubber farmers that took part have also helped in conducting follow-up surveys on natural rubber properties and productivity.

Trophies presented to supplier award winners

Natural rubber farmers who took part in the seminar event