

Risks and Opportunities Presented by Yokohama Rubber's Sustainability-focused Management

While environmental destruction and social issues pose significant risks to business continuity, working to solve social issues can also lead to new business opportunities. Yokohama Rubber is aware of the risks and opportunities in sustainability and wishes to contribute to the richness of the earth and society through our business activities.

Caring for the future/Core issues addressed by ISO 26000

	Issues to be recognized	Risks
 Corporate governance ● Organizational governance	<ul style="list-style-type: none"> ● Maintenance and strengthening of foundation for proper organizational governance ● Sustainable profitability and business growth (transformation) ● Effectiveness and diversity of the board of directors and organization ● Dialogue and information disclosure 	<ul style="list-style-type: none"> ● Compliance with laws and regulations, and responding to systemic changes ● Social demands to strengthen corporate governance ● Violations of antitrust laws, bribery, price cartels, export controls, etc. ● Protection of intellectual property rights ● Suspension of product support or procurement due to disasters or infectious diseases ● Unauthorized use and theft of data, cyber-attacks, and suspension of information infrastructure ● Economic and financial downturns, and declines in funding and investment returns, etc.
 Products ● Consumer issues	<ul style="list-style-type: none"> ● Customer health and safety ● Shift to CASE in automotive industry ● Provision of products that meet environmental performance and customer needs ● Protection of personal information ● Maintenance of quality to the satisfaction of our customers ● High environmental impact when using products 	<ul style="list-style-type: none"> ● Risk of accidents and lawsuits due to poor product safety, recalls and damage to brand value ● Decrease in demand for products due to economic fluctuations and other factors ● Decrease in demand for winter tires due to decrease in snowfall ● Sharp rise in resource prices
 The Earth ● The Environment	<ul style="list-style-type: none"> ● Climate change problems ● Changes in the natural environment of our production bases and suppliers ● Impact of operations on the ecosystem ● Continuation of sustainable operations in Japan and abroad ● Dependence on natural capital such as water and natural rubber ● Switch from fossil resources to sustainable resources 	<ul style="list-style-type: none"> ● Environmental laws and regulations and litigation risks ● Impact on climate change and air pollution, and increased energy costs ● Environmental impact of waste and emissions, and community opposition to operations ● Depletion and shortage of water resources
 People ● Human rights ● Labor practices	<ul style="list-style-type: none"> ● Prevention of complicity in child and forced labor in the company and suppliers ● Improvement of occupational health and safety and prevention of infectious diseases ● Strengthening education and training ● Fostering an active work environment with diversity and equal opportunities 	<ul style="list-style-type: none"> ● Losses and business impact due to occupational accidents, natural disasters, infectious diseases, etc. ● Work stoppages due to labor unrest, and lower productivity due to reduced satisfaction
 Community ● Fair operating practices ● Community involvement and development	<ul style="list-style-type: none"> ● Environmental impact of suppliers (local pollution, negative impact on local residents, risk of shutting down supplier operations) ● Social impacts on suppliers (disasters, human rights violations, illicit activities and conflict minerals) ● Environmental impact on areas where we are expanding our business, and the negative impact when withdrawing ● Understanding the culture and customs of areas where we are expanding our business, and creating economic benefits for those areas 	<ul style="list-style-type: none"> ● Impact on investments, etc. (compliance with local laws and customs, mainly in Asia) ● Conflict minerals and risk of human rights violations

Opportunities	Yokohama Rubber's Initiatives	Website Page
<ul style="list-style-type: none"> Strengthening the risk management system 	<ul style="list-style-type: none"> Strengthening the governance system Strengthening business continuity plans (BCPs) Developing systems to promote compliance Strengthening financial position and transparency 	<p>P.9-10 Corporate Governance</p> <p>WEB Organizational Governance</p>
<ul style="list-style-type: none"> New business opportunities by adapting to CASE Early response to changes in demand and tighter regulations Improvements in competitiveness and profitability through reuse and recycling 	<ul style="list-style-type: none"> Manufacturing and selling tires with high safety, quality, and environmental performance Promotion of the YOKOHAMA Intelligent Tire Concept Development of all-season tire and sensor technology Tire maintenance through service cars and remote service Development of biomass rubber and promotion of retread tires Manufacturing and selling tires for industrial and construction vehicles that support social infrastructure Manufacturing and selling tires for agriculture and forestry machinery that contribute to sustainable production in the agriculture and forestry industry Manufacturing and selling MB products that contribute to greenhouse gas reductions 	<p>P.11-12 Products</p> <p>WEB Consumer Issues</p>
<ul style="list-style-type: none"> Reduction of energy costs by improving manufacturing process efficiency Reduction of resource price fluctuation risks and improvements in operational efficiency through reuse and recycling Reduction of environmental protection costs Reduction of environmental lawsuit and regulation penalty risks 	<ul style="list-style-type: none"> Sustainable natural rubber procurement Coexistence and shared prosperity with agroforestry farming method promotion and rubber farmers Continuation of 100% environmentally-friendly products Environmental impact reductions through business activities Promotion of Yokohama Forever Forest and biodiversity activities Promotion of cogeneration and renewable energy Effective use of water resources (rainwater harvesting in India and Thailand, etc.) 	<p>P.13-14 The Earth</p> <p>WEB The Environment</p>
<ul style="list-style-type: none"> Workstyle reform emphasizing diversity and lifestyles Securing excellent human resources and sustaining employment through health management Growth through human resources development and workplaces without discrimination Establishing traceability for sustainable natural rubber procurement 	<ul style="list-style-type: none"> Implementation of procurement in accordance with CSR procurement standards Strengthening training by expanding the training system Strengthening activities in the Diversity Promotion Taskforce Expanding system for flexible workstyles Strengthening of efforts in health management Strengthening of safety and disaster preparedness initiatives Farmer survey in Thailand, etc. 	<p>P.15-16 People</p> <p>WEB Human Rights Labor Practices</p>
<ul style="list-style-type: none"> Improvement of the environmental and social impact of suppliers and improving their reputation by promoting CSR procurement Job creation and economic development in regions where we operate Change in mobility in regions with an aging and shrinking population Change in mobility services in the new normal 	<ul style="list-style-type: none"> Implementation of procurement in accordance with CSR procurement standards Support for healthcare, education, etc. in local communities Disaster support activities Collaboration with the YOKOHAMA Magokoro Fund and NPOs Creation of employment in regions where our business is developed 	<p>P.17-18 Community</p> <p>WEB Fair Operating Practices Community</p>