





# Supply Chain Management

Relevant materiality	What we aim to do
 <b>Establishment of a sustainable supply chain</b>	<ul style="list-style-type: none"> <li>• Procure sustainable natural rubber</li> <li>• Respect human rights in the supply chain</li> </ul>
 <b>Coexistence with local communities</b>	<ul style="list-style-type: none"> <li>• Help solve local community problems</li> </ul>

## Basic position

Aiming to be a company that continues providing value to society, Yokohama Rubber gives greater importance to strong partnerships with business partners. Considering that the scope of corporate responsibility extends to not only one's own company, but also business partners for the procurement of raw materials, goods, and services required for business activities, we aim to promote CSR activities that will contribute to building win-win relationships for both our business partners and Yokohama Rubber as well as to the enhancement of their corporate value.

In particular, because there are business partners from emerging and developing countries in the upstream of the supply chain for our business, we also recognize the importance of assessment from a social and environmental perspective. Based on this approach, we have formulated the Yokohama Rubber's Basic Procurement Policy, and are contributing to the improvement of sustainability across the entire supply chain by ensuring that our employees observe the Yokohama Rubber Group Action Guidelines as their guidelines for action.

Yokohama Rubber's Basic Procurement Policy

<https://www.y-yokohama.com/global/sustainability/social/partner/#policy>

Yokohama Rubber Group Action Guidelines

<https://www.y-yokohama.com/global/sustainability/social/partner/#shishin>

## Initiatives for CSR Procurement

### CSR Procurement Guidelines

Yokohama Rubber gives greater importance to the establishment of strong partnerships with suppliers, and aims to establish a sustainable supply chain. To this end, we have formulated guidelines such as the Yokohama Green Procurement Guidelines and CSR Procurement Guidelines, and shared our policies and philosophy internally and with business partners by holding briefings. In 2012, we also joined the United Nations Global Compact and have been promoting global initiatives. Furthermore, in 2022, we reviewed the Yokohama Rubber Environmental Policy in light of changes in social conditions and other factors, and revised the CSR Procurement Guidelines to further strengthen our efforts to respect the environment and human rights.

CSR Procurement Guidelines

[https://www.y-yokohama.com/global/csr/pdf/CSR\\_Procurement\\_Guidelines\\_202210.pdf](https://www.y-yokohama.com/global/csr/pdf/CSR_Procurement_Guidelines_202210.pdf)

### Declaration of Partnership Building

Endorsing the objectives of the Declaration of Partnership Building established by the Cabinet Office, the Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency and other organizations, Yokohama Rubber formulated and announced our Declaration of Partnership Building in March 2022, with the aim of promoting cooperation and prosperous coexistence with all business partners in the supply chain and businesses that create value.

Partnership Building Declaration of Yokohama Rubber

[https://www.y-yokohama.com/sustainability/report/pdf/partner00\\_2023.pdf](https://www.y-yokohama.com/sustainability/report/pdf/partner00_2023.pdf) (Japanese only)

### Environmental assessment of suppliers

The Yokohama Rubber Group's mainstay products are mostly petrochemical products (chemicals), including various synthetic rubbers, and the manufacturing process may have adverse impacts on environmental pollution and the lives of local residents. From the perspective of stable procurement of raw materials and from an ethical perspective, we are focusing on the environmental assessment of suppliers. We ask our suppliers, including new business partners, to comply with the Green Procurement Guidelines, and require them to conduct regular CSR self-checks and report the results.

#### Results of environmental assessments of suppliers

##### Environmental impact assessment when starting a new business relationship

- Confirmation whether newly adopted raw materials comply with environmental regulations
- Confirmation of environmental management system (ISO 14001) certification and management status of environmentally hazardous substances and greenhouse gas emissions, etc, through CSR self-checks

In fiscal 2023, none of our 57 new suppliers in Japan had adverse impacts on the environment.

### Social assessment of suppliers

The Yokohama Rubber Group emphasizes coexistence and co-prosperity with local communities in order to develop sustainable business operations. Smooth communication with local residents where the Yokohama Rubber Group's manufacturing factories are located and the continuation of fair transactions are essential for sustainable business development. Moreover, ensuring a work environment where people

involved in procurement can perform their job safely and respecting human rights are also important issues. From the above perspective, we assess whether our business partners comply with the Group's Code of Conduct and other guidelines, and if there is a significant adverse social impact, we ask them to take corrective action as part of our initiatives for improvement. In these ways, we aim to build the ethical supply chain. We are also committed to global procurement that takes into account impacts on human rights, the environment, and society, and are careful not to intentionally use minerals from conflict zones.

### Results of social assessments of suppliers

#### Social impact assessment when starting a new business relationship

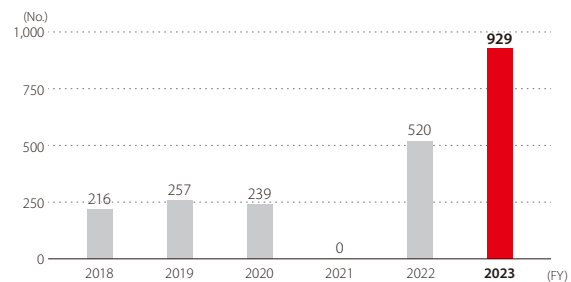
- Confirmation of fair and equitable transaction mechanisms and external communication mechanisms for newly adopted raw materials
- Confirmation of working conditions, initiatives to respect human rights, and the use of conflict minerals through CSR self-checks

In fiscal 2023, none of our 57 new suppliers in Japan had adverse impacts on society.

### Holding of CSR briefings

We hold CSR briefings for business partners to share our philosophy and policies related to sustainability. In 2023, we held two briefings online as in 2022 with participation of 929 companies. We also held Suppliers' Day biennially for suppliers of natural rubber to call for their cooperation in our CSR initiatives after explaining the Procurement Policy for Sustainable Natural Rubber.

#### Number of companies participating in CSR briefings



## Establishment of Supplier Hotline

For business partners, the compliance promotion managers of procurement and sales departments collect complaints and consultations regarding transactions through a business partner hotline and other means. When a complaint is filed, the Corporate Compliance Department confirms the facts and takes necessary measures in consultation with the procurement and sales departments.

In addition, the Yokohama Rubber Group is a member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), and has established a system to receive complaints from all stakeholders in Japan and overseas through the JaCER's complaint reporting desk and to respond appropriately.

\*See "Human Rights" (p. 72) and "Compliance" (p. 84) for details.

## Future Issues and Challenges

With the basic policy of practicing equitable and fair trade, the Yokohama Rubber Group has established trust relationships with partners in the supply chain, promoting cooperation and prosperous coexistence. Going forward, we will make Group-wide efforts to

further strengthen partnerships with suppliers by bolstering cooperation with overseas subsidiaries with the aim of establishing a sustainable supply chain.

### Voice of Employee

#### Utilizing a home office scheme to contribute to strengthening ties with suppliers and new business developments in Thailand

Following my family's job transfer to Thailand, since September 2022, I have been working from my home in Thailand by using the home office scheme. In addition to continuing almost the same contents of work I was doing in Japan, taking advantage of living in Thailand, I sometimes visit our plant in Thailand to participate in meetings with a manufacturer organized by local personnel and support the on-site purchase department with its business operations. I also attend trade exhibitions held in Thailand, where I conduct activity to cultivate new suppliers. In the past, I used to have face-to-face meetings with people inside and outside of the Company, but due to an increase in opportunities to work from home during the COVID-19 pandemic, it has become commonplace to have web conference meetings. Currently, I sometimes join face-to-face meetings with suppliers held in Japan by getting my co-worker to invite me to such meetings held on the Web. I am truly grateful that I have been able to continue to work without taking a leave of absence from work by using the home office scheme. I would like to strongly encourage workers who think they have to take a leave of absence from work due to their family's job transfer, etc. to consider using this scheme.



**Yuri Mizuta**  
Indirect Materials  
Procurement Department