

Message from the Officer in Charge of CSR Division



We promote initiatives for sustainability to realize a sustainable society under the slogan “Caring for the Future.”

Tadaharu Yamamoto

Managing Officer, in charge of Corporate Social Responsibility Div.

Creating shared value by addressing social issues through our business activities

Recently, the environment and circumstances have been changing very quickly, and awareness of the crisis regarding environmental, economic, and social sustainability, such as climate change, biodiversity, and human rights, continues to grow worldwide.

Corporations are expected not only to make social contributions but also to contribute to the realization of a sustainable society by promoting a virtuous cycle between the economy, the environment, and society through their business activities. We believe it is important to create shared value with our stakeholders by addressing these social issues.

Since its founding in 1917, the Yokohama Rubber Group has introduced numerous products, including tires, industrial products, and sporting goods, and has devoted its best efforts to all aspects of production, sales, and technology. Our goal is to contribute to the realization of a sustainable society by utilizing the technological capabilities and expertise we have cultivated through our business operations to solve social issues.

In order to accurately respond to changes in the environment and circumstances and contribute to the realization of a sustainable society through our business activities, it is necessary to think through what issues the Yokohama Rubber Group should address through dialogue with all stakeholders.

Under the slogan “Caring for the Future,” we are working to realize the vision we aim to achieve.

In May 2012, the Yokohama Rubber Group signed the Global Compact (UNGC), a global framework for achieving sustainable growth proposed by the United Nations. We have also joined the Global Compact Network Japan (GCNJ), which is comprised of Japanese and other companies that have signed the UNGC.

Our subsidiaries, both in Japan and overseas, follow the PDCA (Plan-Do-Check-Act) cycle, guided by the 10 principles of the

United Nations Global Compact and in line with the core subjects of ISO 26000.

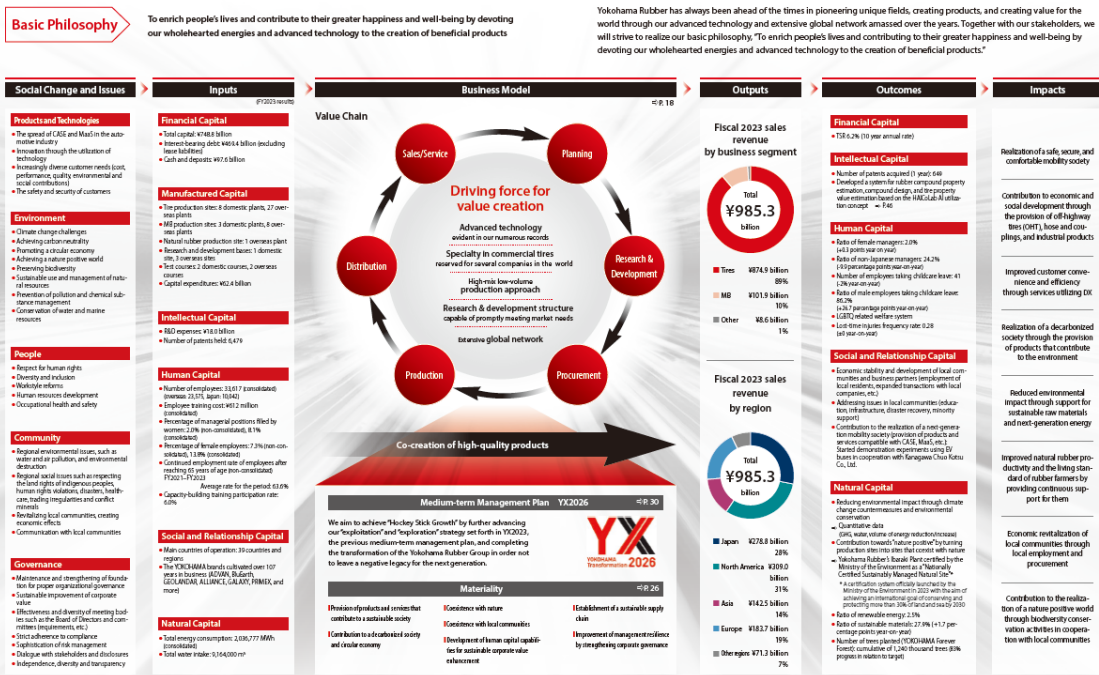
In 2024, in line with the formulation of the new medium-term management plan “Yokohama Transformation 2026 (YX2026)”, we have reviewed our materiality (key issues) in light of changes in the business environment and social issues surrounding the Yokohama Rubber Group.

New materiality was identified by considering both the impact of our business activities on society and the environment and the impact of society and the environment on our business activities.

Under the sustainability slogan “Caring for the Future,” we will aim to contribute to the realization of a sustainable society by promoting initiatives aimed at achieving new materiality goals. We will also improve the sustainability of our business.

Value Creation Process

Based on 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," Yokohama Rubber is working on the exploitation and exploration of business and contributions to social issues linked to its business activities through the Yokohama Transformation 2026 (YX2026). Medium-Term Management Plan and striving to create diverse value.



Sustainability Policy and Promotion Framework

Sustainability Policy

Having formulated the CSR Management Vision “To build a trusted identity as a contributing member of the global community,” the Yokohama Rubber Group cooperates with stakeholders throughout the world while developing its business activities.

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.

History of CSR

FY2008	<ul style="list-style-type: none">Establishment of CSR Management Vision & CSR Action GuidelinesCSR & Environment Council (Current CSR Council) & CSR Division established
FY2014	Establishment of Yokohama Rubber Group Action Guidelines (Translated into 7 languages)
FY2017	Establishment of CSR Slogan (Current Sustainability Slogan)

※The United Nations Global Compact is the world’s largest sustainability initiative in which the UN and 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.

Sustainability Slogan “Caring for the Future”

Toward the future, we aim to contribute to the realization of a sustainable society and create shared value.

Yokohama Rubber Group Action Guideline

Yokohama Rubber Group Action Guideline

Approved by the Management Board on December 24, 2014

Introduction

In 2003, the Yokohama Rubber Group determined its Code of Conduct and defined the sort of conscientious conduct to which the Group and its members must aspire. In 2008, we advocated CSR-minded management and formulated our CSR Management Vision and CSR Action Guidelines. Thereafter, the business activities of the Yokohama Rubber Group became increasingly globalized, and this was accompanied by a significant increase in matters that had to be taken into account. We consequently shared the international standards noted below by all members of our Group as guidelines to be followed in pursuit of our business activities.

- ISO 26000:2010 Guidance on social responsibility
- The Ten Principles in the four areas (human rights, labor, the environment, and anti-corruption) of the United Nations Global Compact

Each of these international standards refers to the kind of conscientious conduct that ought to be taken by the entire Yokohama Rubber Group and each of its members. We therefore decided to redefine the Code of Conduct to be applied in our global business activities on the basis of these standards, and to unify it with our CSR Action Guidelines.

Seven Action Guideline Items

1. We shall respect human rights inside and outside the company.

<Basic stance of the Yokohama Rubber Group>

1. We shall respect human rights, and shall not practice or be a party to discrimination or harassment.

<To practice our basic stance—our action>

1. With an awareness of the diversity of the people working for us, we shall refrain from any action grounded in discrimination for reason of race, ethnicity, nationality, religion, sex, or other attributes. In addition, when we notice any such action, we shall resolutely point it out and urge its correction.
2. We shall refrain from harassment in any shape or form.
3. We shall not permit any violent behavior in the workplace.

2. We shall create workplaces that are safe and healthy.

<Basic stance of the Yokohama Rubber Group>

1. We shall not tolerate child labor or compulsory labor at any of our member companies or suppliers.
2. We shall respect the rules governing working hours, days off, leave/vacations, minimum wage, and other factors as defined by laws and regulations in host countries and regions (i.e., those where we do business).
3. We shall place top priority on assurance of safety and health in the workplace, and strive to prevent accidents and disasters.
4. We shall aim for the growth of all members of the Yokohama Rubber Group through their work, and proactively support their career and capacity development.
5. We shall confer with worker representatives in good faith in order to build and maintain sound labor-management relations.

<To practice our basic stance—our action>

1. We shall be on guard against the supply of labor by children who have not yet reached the employable age prescribed in the laws and regulations of the host countries, not only at member companies of the Yokohama Rubber Group but also at our suppliers.
2. In the realization that all labor must be supplied voluntarily and that all workers may freely quit their jobs, we shall be on guard against the compulsory or forced supply of any labor.
3. In order to build workplaces in which safety and health are assured, we shall proactively participate in activities aimed at the improvement and penetration of rules and setups for safety and health.
4. We shall obey rules governing safety and health in the workplace and show concern for a good work-life balance.
5. In the event of disasters, we shall respond properly, in accordance with the prescribed rules.
6. We shall help employees with problems on the job to deal with them in cooperation with concerned personnel instead of treating them as personal worries or difficulties to be handled by those employees alone.
7. People who are under the influence of alcohol or drugs shall not be permitted to enter the workplace.

3. We shall harmonize our activities with the global environment.

<Basic stance of the Yokohama Rubber Group>

1. As members of a corporate group with the highest levels of contribution to the environment, we shall take up the challenge of environment-related issues and help to build a sustainable society.
2. We shall construct and operate mechanisms for companywide management in order to observe environmental laws and regulations in each host country and region.

<To practice our basic stance—our action>

1. We shall observe all laws and regulations for prevention of air pollution, water pollution, soil contamination, etc.
2. In accordance with laws and regulations, we shall control environment-burdening substances, strive to reduce environmental risks deriving from them, and exclude prohibited chemical substances from our product manufacturing processes.
3. In all stages of our business activities, we shall eliminate the waste of resources and energy, and reduce emissions of CO2 and other greenhouse gases.
4. In all stages of our business activities, we shall promote the reduction of industrial waste derivation and final disposal volumes.
5. In order to preserve biodiversity, we shall engage in various activities in accordance with our Guidelines on Biodiversity.

4. We shall provide safe and high-quality products and services.

<Basic stance of the Yokohama Rubber Group>

1. We shall develop, design, manufacture, and sell attractive products that satisfy customers; provide society as a whole with safe and high-quality products and services; and endeavor to enhance the value of the Yokohama Rubber brand.

<To practice our basic stance—our action>

1. We shall listen to the views of our customers, accurately ascertain their needs, and develop, design, manufacture, and sell products of genuine use to society.
2. We shall provide our customers with appropriate information concerning our products.
3. In the manufacture and sale of our products, we shall observe the laws and regulations on safety applied in each host country and region.
4. We shall proactively participate in the construction and operation of companywide mechanisms to assure the quality of our products.
5. We shall take prompt action for response in the event of accidents related to our products.
6. Through these actions, we shall work to enhance the value of the Yokohama Rubber brand.

5. We shall conduct corporate activities with a high transparency and practice proper disclosure of information.

<Basic stance of the Yokohama Rubber Group>

1. We shall conduct corporate activities with a high degree of transparency, in keeping with our Corporate Philosophy.
2. We shall make effective use of our corporate assets and heighten our corporate value.
3. We shall make systemic arrangements for ever-vigilant monitoring of risks surrounding the Yokohama Rubber Group, deal promptly with such risks, and constantly review these arrangements.
4. We shall establish standards for business processing and see that they are rigorously applied for correct performance of such processing.
5. We shall practice timely and appropriate disclosure of information on our business result, financial position, and business activities to our stakeholders, and engage in open and fair communication with them.

<To practice our basic stance—our action>

1. We shall treasure the tangible and intangible assets of the Yokohama Rubber Group including our reputation and brand, and strive to heighten our corporate value.
2. We shall exclude any and all ties with anti-social forces.
3. We shall be on guard against risks in our midst that could lead to disasters, scandals, and accidents, and deal promptly and appropriately with any related occurrences.
4. We shall obtain personal information on our customers, third parties, our employees, and other persons as well as confidential information on our customers and third parties, only by legitimate methods. In addition, we shall strictly manage any such information, utilize it in a proper scope, and carefully protect it.
5. We shall properly manage export in accordance with the laws and regulations in the host countries and regions.
6. We realize that the pool of information acquired through our work includes some important undisclosed information otherwise known internally or only within the other organization. We shall properly manage all such information. We shall not engage in any buying or selling of stock etc. using such inside information.

6. We shall observe not only laws and regulations but also social norms.

<Basic stance of the Yokohama Rubber Group>

1. We shall not engage in any activity that is in violation of the competition-related law (antitrust legislation), any acts of bribery, and any other acts that deviate from laws, regulations, or business conventions.
2. We shall open our doors wide to all prospective suppliers, engage in just and fair transactions with them, and construct partnerships grounded in observance of laws and regulations and in mutual trust. In addition, we shall take approaches with them to CSR issues (in the aspects of the environment, safety, human rights & labor, and compliance), ascertain the facts of their situation, and proactively assist them in their related efforts.

<To practice our basic stance—our action>

1. We shall observe the competition-related law (antitrust legislation) in each host country and related laws and regulations (such as the Japanese Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors).
2. We shall maintain sound relations with political groups and public administrative authorities, and shall not engage in any acts of bribery, in Japan or any other country or region. We shall not entertain, give any gifts to, or give any money to business partners for the purpose of gaining illicit advantage.
3. We shall protect the intellectual property of the Yokohama Rubber Group, including technical information at hand. We shall not illicitly acquire or use intellectual property belonging to third parties, or infringe upon their rights.
4. We shall strive to understand and observe the laws and regulations pertaining to the work to which we are assigned, and to preclude the occurrence of risks in the workplace. In the event of any deviation, we shall swiftly make corrections.
5. When we suspect the existence of illegal acts in our own conduct or that of others, we shall not ignore it; instead, we shall confirm conformance with the law by utilizing the setup for whistleblowing.

7. We shall aspire to harmony and prosperity with local communities.

<Basic stance of the Yokohama Rubber Group>

1. We shall never forget that we are members of society, and shall endeavor to exist harmoniously and prosper together with society as well as to build ties of trust with stakeholders.
2. We shall support the social contribution activities of our employees and breed a corporate culture oriented toward active participation by them in such activities.
3. We shall practice proper provision of information on business activities involving the community.

<To practice our basic stance—our action>

1. Our activities of social contribution shall not be confined to those through our business activities; we shall also take a proactive part in volunteer programs and social activities rooted in the local community.

<Supplementary provisions>

The definitions of the terms used in these Guidelines are as follows.

1. "Yokohama Rubber Group" is a collective term for the Yokohama Rubber Co., Ltd. and its subsidiaries included in financial statements, whether consolidated or non-consolidated.
2. The term "member" refers to the corporate directors, auditors, executive officers, administrative directors, and consultants in companies belonging to the Yokohama Rubber Group, as well as all persons to whom the employment rules of these companies are applied and all other persons who have employment relations with them.

<Application>

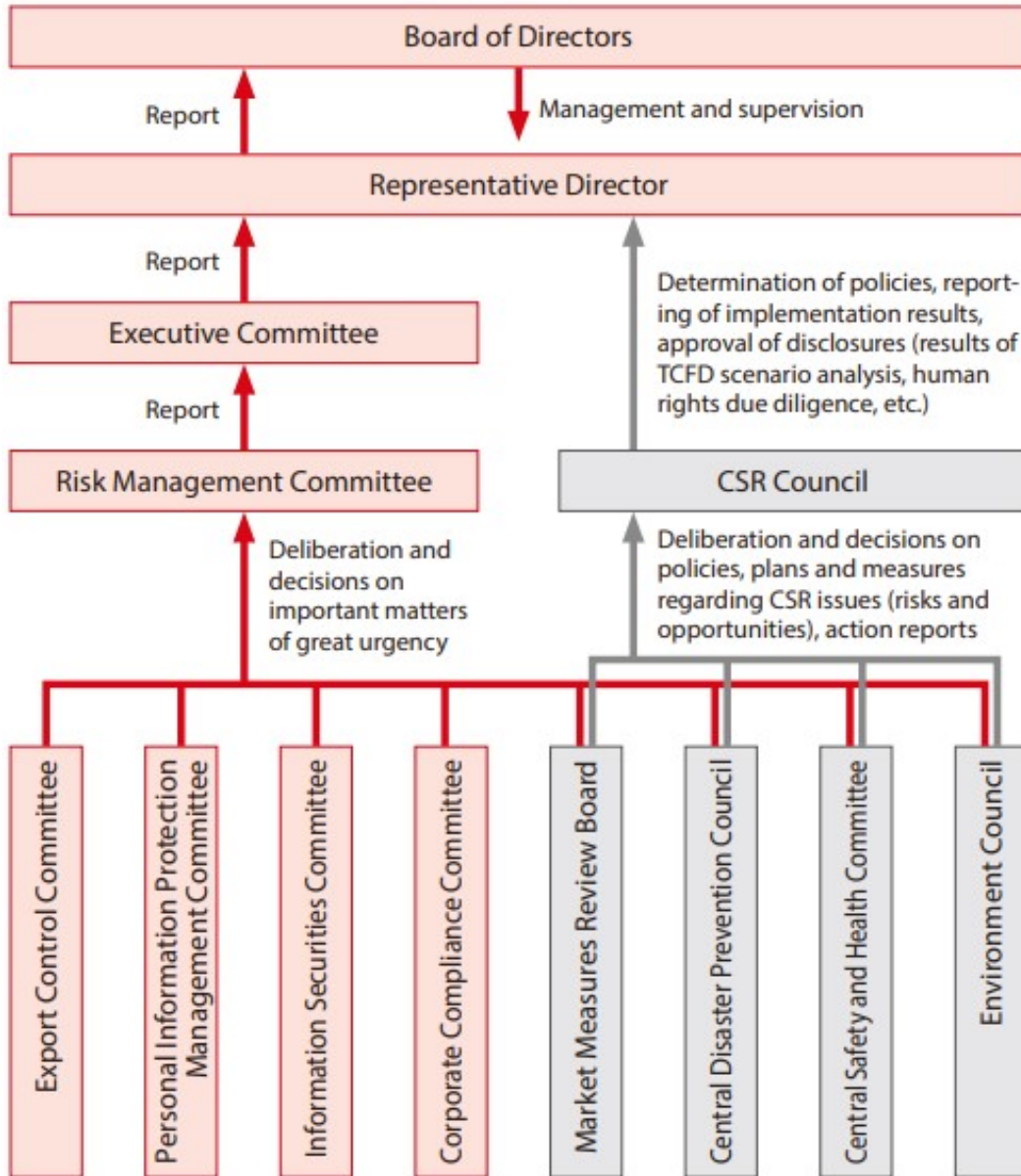
These Action Guidelines shall be applied to the Yokohama Rubber Group and its members.

<Date of Enforcement>

These guidelines shall go into effect on December 24, 2014.

Sustainability Promotion Framework

The CSR Council, chaired by the President and Chairman of the Board, and attended by all internal directors (including internal Audit & Supervisory Committee members), is held twice a year in May and November to draft and discuss CSR issues related to the environment, occupational health and safety, disaster prevention, quality, social contributions, and other issues that must be addressed by the Yokohama Rubber Group.



The Environment Council, Central Safety and Health Committee, and Central Disaster Prevention Council have been established as meeting bodies to formulate and examine individual CSR issues, as well as to formulate and execute more detailed plans and measures. Serious and urgent CSR matters are handled with cooperation from the Risk Management Committee.

Identification and review of materiality

In 2014, the Yokohama Rubber Group, in accordance with the fourth edition of the GRI Guidelines (G4), an international guideline for sustainability reporting, identified themes of great impact and interest to both the company and its stakeholders as materiality, which have since been reviewed on a regular basis.

In 2024, in line with our new medium-term management plan “YX2026,” we reviewed our materiality in light of changes in the business environment and social issues surrounding our group.

New materiality was identified in consideration of both the impact of our business activities on society and the environment and the impact of society and the environment on our business activities.

For each materiality, specific indicators to be achieved from a medium- to long-term perspective were set as non-financial targets.

Process for Identifying Materiality

Materiality is identified and reviewed through the following Step 1 to Step 3 process. We plan to conduct periodic reviews based on changes in the environment and other factors.

<Step1> Recognizing and arranging issues

Recognize issues from the perspective of external factors and internal factors (business activities), and organize them into a list.

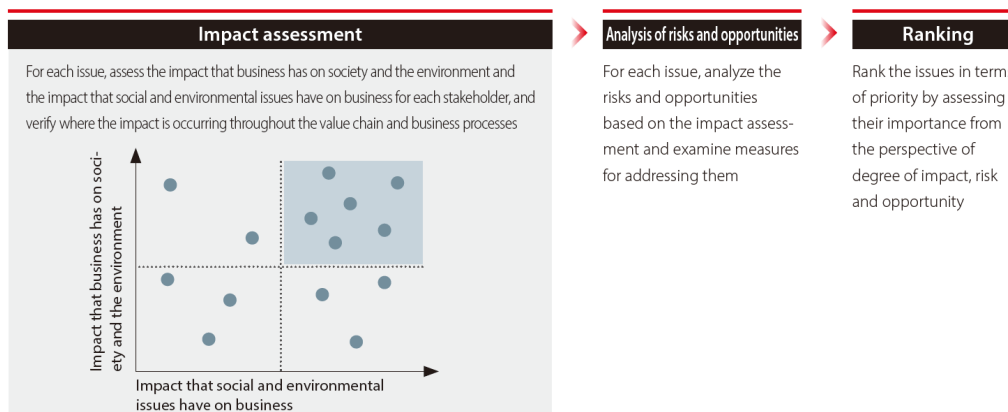


<Step2> Impact assessment, risk and opportunity analysis

For each issue organized as a list, we assessed the impact of the business on society and the environment, and the impact of social and environmental issues on the business, for each stakeholder, based on the concept of double materiality, and identified where the impact is occurring in the value chain and business processes.

Next, based on the impact assessment, we analyze the risks and opportunities for each issue and consider countermeasures.

Analyze the impact of issues, risks and opportunities, and assess their importance and rank them in terms of priority



<Step3> Identify (revise) materiality

Issues ranked in priority are discussed and approved internally by hearing the opinions of each internal department and external experts

Hearing opinions internally and externally

Issues ranked in priority are discussed by hearing the opinions of each internal department and exchanging opinions with external experts



Identify issues of high importance

The results of internal and external hearings are incorporated as feedback to the issues ranked in priority to identify issues of high importance



Internal discussions and approval

Issues of high importance are discussed through CSR Council, Executive Committee, and the Board of Directors, and approved as materiality

**Process for Identifying
Materiality (PDF)**



Opinions from Experts



Masayoshi Miyanaga

Specially Appointed Professor, Chuo Graduate School of Strategic Management, Chuo University
Executive Director, WICI Japan

Masayoshi Miyanaga specializes in areas including business valuation, corporate finance, M&A, corporate governance, and corporate information disclosure.

In regard to the social responsibility that companies have in as they carry out corporate management in the 21st century, companies are moving away from looking at the four areas of human rights, labor, environment, and anti-corruption as separate areas and viewing them from the broader perspective of sustainability, including the sustainability of the company itself. While there is a trend to think about materiality from the global concept of double materiality, an increasing number of companies in Japan have started to adopt integrated materiality as a management issue where both co-creation of their own sustainability and social value are considered, replacing conventional CSR materiality. This trend is in line with the evolution toward 21st century style integrated thinking-based management, I assess Yokohama Rubber's redefinition and revision of materiality as an attempt to stay at the forefront of the times. I expect that this materiality will spread from management strategy to business development and lead to creating economic value for the company and making a positive impact on society and the environment.










Toshimune Yamaguchi

Director, Caux Round Table Japan

Leveraging his expertise in finance and risk management, Toshimune Yamaguchi advises companies on non-financial information disclosure and improving ESG evaluations.

The formulation of international disclosure standards, such as the ESRS (European Sustainability Reporting Standards) and the IFRS Sustainability Disclosure Standards, has accelerated the integration of non-financial and financial information also from a legal standpoint. Since each materiality is not a management "theme" but rather an "issue" directly linked to financial performance, it is necessary to set clear indicators/targets and evaluate performance in a measurable manner. I expect that putting the recently reviewed materiality into practice and understanding/responding to the impact of business activities on stakeholders will enable the company to improve management transparency and resilience.

Yokohama Rubber's Materiality

Category	Materiality	What we aim to do
Products	<p><u>Provision of products and services that contribute to a sustainable society</u></p> 	<ul style="list-style-type: none"> Achieve a safe and comfortable mobility society through improved quality and performance based on proprietary technologies Contribute to economic and social development by providing tires for industrial vehicles in agriculture, forestry, construction, etc. Improve customer convenience and efficiency through DX-based services
The Earth	<p><u>Contribution to a decarbonized society and circular economy</u></p> 	<ul style="list-style-type: none"> Contribute to a decarbonized society through our products Reduce greenhouse gas emissions and energy consumption Contribute to the circular economy by increasing the use of renewable and recycled raw materials
	<p><u>Coexistence with nature</u></p> 	<ul style="list-style-type: none"> Promote nature positive-oriented initiatives Strengthen environmental management
Community	<p><u>Coexistence with local communities</u></p> 	<ul style="list-style-type: none"> Help solve local community problems
People	<p><u>Development of human capital capabilities for sustainable corporate value enhancement</u></p> 	<ul style="list-style-type: none"> Foster diversity and inclusion Create innovation and increase productivity through employee development Develop safe and healthy work environments Respect the human rights of employees
Supply chain	<p><u>Establishment of a sustainable supply chain</u></p> 	<ul style="list-style-type: none"> Procure sustainable natural rubber Respect human rights in the supply chain
Corporate Governance	<p><u>Improvement of management resilience by strengthening corporate governance</u></p> 	<ul style="list-style-type: none"> Strengthen stakeholder engagement Strengthen governance of sustainability issues

Please refer to the links below for details on each materiality.



Progress on materiality issues through FY 2023

Strategies for Realizing Our Vision

Driving Forces Behind "Exploration" and "Exploitation"

Strategies for Realizing Our Vision

Strengthening Management Resilience

Data

Risks and Opportunities & Materiality

In 2024, Yokohama Rubber revised its materiality in accordance with its new medium-term management plan, FY2026, in light of changes in the business environment and social issues surrounding the Group. We recognized issues from the perspective of external and internal factors (Business activities), assessed the impact of our business on society and the environment along with the impact of social and environmental issues on our business for each stakeholder, and analyzed risks and opportunities.

Process for Identifying Materiality



Materiality	Risks and Opportunities	Metrics (KPIs)	Targets	What we aim to do
<p>Provision of products and services that contribute to a sustainable society</p> <p>Risks</p> <ul style="list-style-type: none"> Decline in product demand due to changing customer needs, such as a drop in the number of owners of private cars with the uptake of Kaia. Loss of customer confidence due to poor product safety, recalls and damage to brand value. More stringent performance, cost and other requirements. <p>Opportunities</p> <ul style="list-style-type: none"> Increase in business performance due to the future's ability to change. Responding to changing customer needs and/or regulations at an early stage. Secure new business opportunities through adapting to CAES and Kaia. 	<p>Risks</p> <ul style="list-style-type: none"> Decline in product demand due to changing customer needs, such as a drop in the number of owners of private cars with the uptake of Kaia. Loss of customer confidence due to poor product safety, recalls and damage to brand value. More stringent performance, cost and other requirements. <p>Opportunities</p> <ul style="list-style-type: none"> Increase in business performance due to the future's ability to change. Responding to changing customer needs and/or regulations at an early stage. Secure new business opportunities through adapting to CAES and Kaia. 	<p>Number of products with 5+ marks for ten specifically listed for electric vehicles.</p> <p>Number of days (or times) of (1) High Recall and (2) Pressure Mktg Operations standards.</p> <p>Number of sales of new registered passenger services (TRLS) applying CAES number of vehicles registered (number of registrations).</p>	<p>FY2024: 10 products</p> <p>FY2024: Total of 0 days</p> <p>FY2024: 10,000 vehicles registered 45,000 (est.) registered annually</p>	<ul style="list-style-type: none"> Align with and contribute to society through improved quality and performance based on proprietary technologies. Contribute to economic and social development (providing high value added of highway tires). Improve customer convenience and efficiency through CAES services.
<p>Contribution to a decarbonized society and circular economy</p> <p>Risks</p> <ul style="list-style-type: none"> More stringent environmental (Tire and Roadflow Products, etc.) laws and regulations and increase in litigation. Increase in energy costs due to demand for the use of renewable energy to reduce CO2 (Scope 3) for client companies, etc. <p>Opportunities</p> <ul style="list-style-type: none"> Use of products to customers with a high sensitivity to environmental issues. Expansion of sales of products for EVs with the uptake in EVs. 	<p>Risks</p> <ul style="list-style-type: none"> More stringent environmental (Tire and Roadflow Products, etc.) laws and regulations and increase in litigation. Increase in energy costs due to demand for the use of renewable energy to reduce CO2 (Scope 3) for client companies, etc. <p>Opportunities</p> <ul style="list-style-type: none"> Use of products to customers with a high sensitivity to environmental issues. Expansion of sales of products for EVs with the uptake in EVs. 	<p>Reduction of greenhouse gas emissions (Scope 1+2)</p> <p>Percentage of electricity used by the Company from renewable sources.</p> <p>Percentage of renewable and recycled raw materials used.</p>	<p>FY2024: 30% reduction compared to FY2019 FY2024: 80% reduction compared to FY2019</p> <p>FY2024: Achieve 100%</p> <p>FY2024: 20% FY2024: 100% sustainable material</p>	<ul style="list-style-type: none"> Contribute to a decarbonized society through our products. Reduce greenhouse gas emissions and energy consumption. Contribute to the circular economy by increasing the use of renewable and recycled raw materials.
<p>Coexistence with nature</p> <p>Risks</p> <ul style="list-style-type: none"> Negative impact on biodiversity due to destruction of forests and other environments in natural rubber plantations. Reproduction of diseases due to climate change caused by supplier's GHG emissions. Local residents adversely affected due to air pollution and climate change, health hazards, and impacts on agriculture. Health hazards of local residents and impacts on biodiversity due to improper handling of water resources and waste. <p>Opportunities</p> <ul style="list-style-type: none"> Reduction in energy costs by improving the efficiency of manufacturing processes. Reduction in risk of resource price fluctuations and increase in operational efficiency with reuse and recycling. Reduction in environmental conservation costs. 	<p>Risks</p> <ul style="list-style-type: none"> Negative impact on biodiversity due to destruction of forests and other environments in natural rubber plantations. Reproduction of diseases due to climate change caused by supplier's GHG emissions. Local residents adversely affected due to air pollution and climate change, health hazards, and impacts on agriculture. Health hazards of local residents and impacts on biodiversity due to improper handling of water resources and waste. <p>Opportunities</p> <ul style="list-style-type: none"> Reduction in energy costs by improving the efficiency of manufacturing processes. Reduction in risk of resource price fluctuations and increase in operational efficiency with reuse and recycling. Reduction in environmental conservation costs. 	<p>Number of trees planted and saplings provided as part of "Yokohama for Ever Forest" activities.</p> <p>Number of business sites certified as "Naturally Certified Sustainable Rubber Forest Sites" (approved NCR) by the Ministry of the Environment.</p> <p>Number of serious environmental incidents (air, water, soil).</p>	<p>FY2024: Cumulative sites.</p> <p>FY2024: 0 incidents.</p>	<ul style="list-style-type: none"> Promote nature-positive-oriented initiatives. Strengthen environmental management.
<p>Coexistence with local communities</p> <p>Risks</p> <ul style="list-style-type: none"> Local community opposition to operations due to the environmental impact of waste and odors. Violation of rights of indigenous people with the development of natural rubber plantations. Decrease in yields and increase in production costs due to consistent measures requested to address impacts on habitats of surrounding indigenous people. <p>Opportunities</p> <ul style="list-style-type: none"> Build operations by building positive relationships with local residents. Creation of opportunities for local children to join the Company through education (scholarships, internships, etc.). 	<p>Risks</p> <ul style="list-style-type: none"> Local community opposition to operations due to the environmental impact of waste and odors. Violation of rights of indigenous people with the development of natural rubber plantations. Decrease in yields and increase in production costs due to consistent measures requested to address impacts on habitats of surrounding indigenous people. <p>Opportunities</p> <ul style="list-style-type: none"> Build operations by building positive relationships with local residents. Creation of opportunities for local children to join the Company through education (scholarships, internships, etc.). 	<p>Support for social contribution organizations through the Yokohama Magellan Fund, an employee social contribution fund.</p>	<p>10 or more per year</p>	<ul style="list-style-type: none"> Help solve local community problems.
<p>Development of human capital capabilities for sustainable corporate value enhancement</p> <p>Risks</p> <ul style="list-style-type: none"> Reduction in labor forces due to occupational accidents, natural disasters, infectious diseases, etc. Work absence due to poor mental health, but productivity due to decreased substitution. Violations of employee human rights, including long working hours, living wages, and freedom of association. <p>Opportunities</p> <ul style="list-style-type: none"> Creation of innovation and improvement to productivity with the recruitment and development of diverse human resources and their expertise. 	<p>Risks</p> <ul style="list-style-type: none"> Reduction in labor forces due to occupational accidents, natural disasters, infectious diseases, etc. Work absence due to poor mental health, but productivity due to decreased substitution. Violations of employee human rights, including long working hours, living wages, and freedom of association. <p>Opportunities</p> <ul style="list-style-type: none"> Creation of innovation and improvement to productivity with the recruitment and development of diverse human resources and their expertise. 	<p>Ratio of female managers (section manager or higher level) (by entire non-consolidated).</p> <p>Ratio of male employees taking childcare leave (by consolidated).</p> <p>Ratio of employees with continued employment after maternity (by entire non-consolidated).</p> <p>Ratio of participation in skill development training (including MBA courses from Chubu Institute of Technology) (by consolidated).</p> <p>Employee engagement score (by consolidated).</p>	<p>FY2024: 5% FY2024: 0% FY2024: 100% FY2024: FY2024: period average of 68% or more FY2024: FY2024: period average of 70% or more</p> <p>FY2024: 10% FY2024: 100%</p> <p>Conduct ongoing employee engagement survey starting from FY2024 and set targets for FY2025.</p>	<ul style="list-style-type: none"> Foster diversity and inclusion. Grow innovation and increase productivity through employee development. Develop safe and healthy work environments. Respect the human rights of employees.
<p>Establishment of a sustainable supply chain</p> <p>Risks</p> <ul style="list-style-type: none"> Disruption of transactions due to the discovery of issues related to human rights at natural rubber plantations, including workers involved in forced labor and child labor and increase in production costs due to incentive measures. <p>Opportunities</p> <ul style="list-style-type: none"> Procurement of sustainable, high-quality raw materials. Work absence due to poor mental health, but productivity due to decreased substitution. Violations of employee human rights, including long working hours, living wages, and freedom of association. 	<p>Risks</p> <ul style="list-style-type: none"> Disruption of transactions due to the discovery of issues related to human rights at natural rubber plantations, including workers involved in forced labor and child labor and increase in production costs due to incentive measures. <p>Opportunities</p> <ul style="list-style-type: none"> Procurement of sustainable, high-quality raw materials. Work absence due to poor mental health, but productivity due to decreased substitution. Violations of employee human rights, including long working hours, living wages, and freedom of association. 	<p>Number of natural rubber plantations surveyed.</p> <p>Number of human rights due diligence (prospect assessment) procedures conducted in the supply chain.</p>	<p>2 events in non-yearly</p> <p>1 case per year</p>	<ul style="list-style-type: none"> Focus sustainable natural rubber. Respect human rights in the supply chain.
<p>Improvement of management resilience by strengthening corporate governance</p> <p>Risks</p> <ul style="list-style-type: none"> Strengthening of laws and regulations on antitrust, bribery, price controls, export control, etc. Increase in credibility and brand value due to disclosure of unbalanced information. Lack of human resources with knowledge and skills pertaining to sustainability, including change in environmental issues related to biodiversity, conservation, human rights, and human rights in the supply chain. <p>Opportunities</p> <ul style="list-style-type: none"> Increase in corporate value due to better address sustainability issues. 	<p>Risks</p> <ul style="list-style-type: none"> Strengthening of laws and regulations on antitrust, bribery, price controls, export control, etc. Increase in credibility and brand value due to disclosure of unbalanced information. Lack of human resources with knowledge and skills pertaining to sustainability, including change in environmental issues related to biodiversity, conservation, human rights, and human rights in the supply chain. <p>Opportunities</p> <ul style="list-style-type: none"> Increase in corporate value due to better address sustainability issues. 	<p>Number of sustainability-related issues reported to and discussed by the Board of Directors.</p>	<p>4 per year (quarterly) or more</p>	<ul style="list-style-type: none"> Strengthen stakeholder engagement. Strengthen governance of sustainability issues.