# Supply Chain: Establishment of a Sustainable Supply Chain

**The Yokohama Rubber Group places great importance on building strong partnerships with suppliers, and works to enhance the sustainability of its entire supply chain. By evaluating suppliers from both social and environmental perspectives, we aim to promote responsible procurement and CSR initiatives while building mutually beneficial partnerships.**

## Basic Approach

Based on our Basic Procurement Policy and the Yokohama Rubber Group Action Guidelines, we promote sustainable procurement through strong partnerships with business partners, taking into consideration such factors as environmental impact reduction and the protection of human rights and labor conditions. We place particular emphasis on the sustainable procurement of natural rubber, an essential raw material in the manufacture of tires and industrial rubber products, thereby contributing to greater sustainability throughout the supply chain.

Basic Procurement Policy/Yokohama Rubber Group Action Guidelines *https://www.y-yokohama.com/global/sustainability/social/partner/#hoshin*

### Establishment of a Sustainable Supply Chain: Fiscal 2025 Progress and KPIs

| Metrics (KPIs) | Targets | FY2025 Result | Evaluation |
|---|---|---|---|
| Number of natural rubber farms surveyed | FY2030: 1,200 (cumulative) | 1,050 | Ahead |
| Number of seminar events for natural rubber farmers held | At least 2 per year | 2 | On track |
| Number of human rights due diligence (impact assessments) procedures conducted in the supply chain | 1 per year | 1 | On track |

## CSR Procurement Initiatives

### CSR Procurement Guidelines

We place great importance on building strong partnerships with our suppliers and are committed to establishing a sustainable supply chain. To this end, we have formulated the Yokohama Green Procurement Guidelines and CSR Procurement Guidelines and share our policies and principles internally and with business partners through briefings. In 2012, we also joined the United Nations Global Compact and strengthened our initiatives from a global perspective. In 2022, we reviewed the Yokohama Rubber Group Environmental Policy in light of changes in the social environment and other factors, and revised the CSR Procurement Guidelines from the perspectives of environmental protection and respect for human rights. We will continue reviewing these policies and guidelines as needed in response to changes in society and the business environment.

CSR Procurement Guidelines
*https://www.y-yokohama.com/global/sustainability/pdf/CSR_Procurement_Guidelines_202506.pdf*

### Environmental and Social Assessment of Suppliers

Our group places importance on evaluating suppliers from environmental and social perspectives to establish a sustainable supply chain.

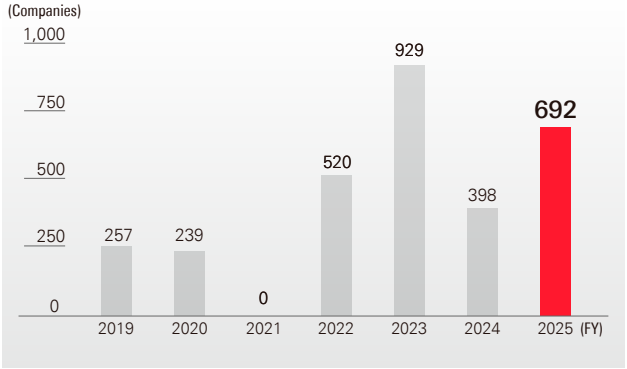
With regard to environmental assessment, we require our business partners, including new business partners, to comply with our Green Procurement Guidelines and conduct regular CSR self-assessments to reduce the environmental impact associated with raw material procurement while ensuring stable and ethical procurement. The fiscal 2025 assessment confirmed that none of our new suppliers in Japan were identified as having significant environmental impacts.

In social assessments, we emphasize living in harmony with local communities, fair business practices, and safe working environments, and require suppliers to comply with our Action Guidelines. We are also committed to global procurement that takes into account human rights, environmental, and societal impacts, and are careful to avoid the use of conflict minerals. The fiscal 2025 assessment also confirmed that none of our new suppliers in Japan posed significant societal risks.

### Holding of CSR Briefing

We hold CSR briefings for business partners to share our sustainability principles and policies. In fiscal 2025, two online sessions were held, with a total of 692 companies participating. In addition to explaining our initiatives relating to respect for human rights, harassment prevention, diversity and inclusion, climate change, and information security, we asked our suppliers for increased cooperation and support in advancing these initiatives.

**Number of companies participating in CSR briefings**




### Declaration of Partnership Building

Yokohama Rubber supports the objectives of the Declaration of Partnership Building initiative established by the Cabinet Office, the Ministry of Economy, Trade and Industry, the Small and Medium Enterprise Agency, and other organizations. We formulated and registered our Declaration of Partnership Building in March 2022, with the aim of promoting coordination, mutual prosperity, and coexistence with our supply chain partners and other businesses with whom we engage in value creation.

Yokohama Rubber's Declaration of Partnership Building
*https://www.biz-partnership.jp/declaration/127564-05-11-kanagawa.pdf*

# Supply Chain: Establishment of a Sustainable Supply Chain

## Sustainable Procurement of Natural Rubber

We work proactively on international initiatives and measures across the value chain to ensure the sustainable use of natural rubber, an essential raw material in the manufacture of tires and industrial rubber products. Natural rubber accounts for approximately 20% of our total raw material consumption and is indispensable to maintaining a stable supply of our products.

To promote the sustainable procurement of natural rubber, in 2018, Yokohama Rubber became a founding member of the Global Platform for Sustainable Natural Rubber, an initiative led by the Tire Industry Project of the World Business Council for Sustainable Development. In October of the same year, we established our own Procurement Policy for Sustainable Natural Rubber, with the aim of enhancing sustainability throughout the supply chain.

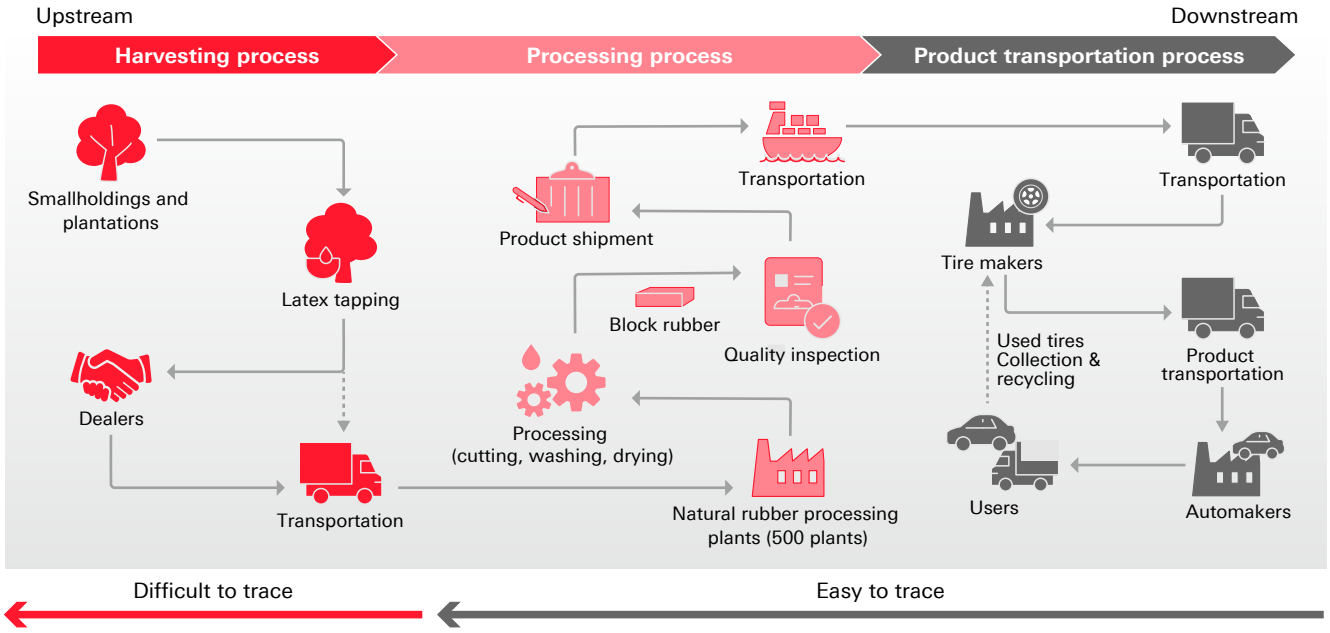
### Natural Rubber Supply Chain

Natural rubber production is centered on approximately 6 million smallholder farms, primarily located in Southeast Asia. Such farms face a number of challenges, including economic hardship, inefficient production due to insufficient harvesting know-how, and a lack of consideration of environmental issues.

Because the price of natural rubber is volatile on international markets, after purchasing dealers decide where to sell it and store it based on the price on the day. Since it is possible to store solid raw rubber, it is frequently traded among dealers and across regions and borders, making it difficult to ensure traceability from producers to processing facilities.

In recent years, however, it has become increasingly important to prove that the natural rubber purchased is not associated with deforestation or human rights violations. Greater transparency and ethical procurement throughout the supply chain are indispensable to sustainable procurement of natural rubber.

**Natural Rubber Supply Chain**




### Procurement Policy for Sustainable Natural Rubber

Yokohama Rubber has established the following concepts and initiatives to ensure natural rubber remains a sustainable resource throughout the supply chain, and requests the cooperation of our suppliers.

- Enhancing traceability
- Respect for human rights and prohibition of all forms of harassment
- Fair and equitable treatment of workers
- Prohibition of child labor and forced labor
- Compliance
- Commitment to zero deforestation
- Consideration of biodiversity
- Respect for the land rights of indigenous peoples and others
- Creation of innovative technologies
- Communication with suppliers

**Procurement Policy for Sustainable Natural Rubber**
*https://www.y-yokohama.com/global/sustainability/pdf/SNR2.1_English.pdf*



Latex from the Pará rubber tree, the raw material for natural rubber

# Supply Chain: Establishment of a Sustainable Supply Chain

## Initiatives to Improve Natural Rubber Traceability

As a part of our efforts to improve traceability for the sustainable procurement of natural rubber, Y.T. Rubber Co., Ltd., a natural rubber processing company of the Group, obtained FSC®*1 Chain of Custody (CoC) certification in July 2023. This certification verifies that for natural rubber products made using rubber sourced from FSC®-certified forests, appropriate controls are in place throughout every stage of production to prevent the mixing of non-conforming raw materials prior to completion of the final product. In April 2024, we also introduced the risk assessment tool RubberWay®*2 Geo-Mapping. We leverage farm location data and information on environmental and societal issues to enhance traceability across our supply chain, and are strengthening our risk assessment and monitoring of issues such as deforestation and human rights violations. Through these efforts, we will increase transparency throughout the supply chain and contribute to the realization of a sustainable society.

*1 An abbreviation for the Forest Stewardship Council®. It is an international non-profit organization founded in 1994 to promote responsible forest management worldwide.
*2 A sustainability service provider for the natural rubber industry offering risk assessment services and supply chain mapping solutions to enhance upstream supply chain transparency.

## Farm Surveys in Southern Thailand

We are enhancing our surveys of farms and support for farmers in Surat Thani Province in southern Thailand, an important base for natural rubber production and home to Y.T. Rubber Co., Ltd., the Group's natural rubber processing company.

Since 2019, we have been conducting surveys of natural rubber farms focusing on areas surrounding the location of Y.T. Rubber. As of the end of December 2025, we had surveyed a cumulative total of 1,050 farms. So far, no illegal activities, such as unlawful deforestation or human rights violations, have been identified. We will continue conducting these surveys and plan to survey a cumulative total of 1,200 natural rubber farms by fiscal 2030. By analyzing the survey results, we will gain a better understanding of the challenges faced by natural rubber farms, support more sustainable farm management practices, and further improve traceability.



A farm survey in progress

## Support Activities for Natural Rubber Farmers

We are also proactively engaged in activities that contribute to raising awareness among local farmers, such as promoting agroforestry to improve farm management stability and enhance biodiversity within farms, as well as holding seminar events aimed at increasing productivity.

In Surat Thani Province in southern Thailand, where Y.T. Rubber is located, we regularly hold seminars jointly with the Rubber Authority of Thailand to improve the quality of natural rubber and provide ongoing support to smallholder farmers. In December 2025, we held the tenth seminar for farmers in Surat Thani since the program began in 2020. The seminar was attended by members of 50 farming households. After the seminar, participants received fertilizer formulated based on the Rubber Authority of Thailand's expertise and provided free of charge by Yokohama Rubber.

The seminar included presentations on topics such as soil and plant nutrients, the proper use of fertilizers, and the importance of preventing foreign matter contamination in natural rubber. To mark the tenth seminar, representatives from local government agencies, the police, and hospitals were invited as guest speakers. They spoke about respecting the human rights of foreign workers and ethnic minorities employed on farms, coexistence with local communities, traffic safety, and occupational safety and health.



Scenes from the seminar event



Farmers taking commemorative photos in front of the provided fertilizer

Post-event questionnaires showed that many participants felt the seminar had helped them improve both their cultivation techniques and raise their awareness about quality issues. Comments included: "I used to work on my farm without any clear methodology, and this was my first opportunity to learn about systematic fertilizer application.""Hearing directly from a manufacturer that uses rubber helped me better understand the importance of preventing contamination by foreign matter." Participants also expressed strong interest in occupational safety and health issues. One commented that the hospital director's talk on preventing lower back pain when tapping rubber trees and dealing with venomous insects was particularly helpful. The seminar also received positive feedback about the way it was planned from the perspective of farmers, including comments such as: "I was nervous at first, but the organizers kept everyone engaged, and it was an enjoyable event with lots of laughter." "I'd like to recommend the seminar to my friends and relatives."

We also request participating farmers to cooperate in follow-up surveys on the physical properties of natural rubber and productivity so that further improvements can be made based on the gathered data.

Through these activities, we will strengthen collaboration with our suppliers and promote sustainable natural rubber procurement while fostering mutually beneficial relationships with local communities.