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For immediate release

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**Yokohama Rubber is participating in a Japan MoE project for evaluating and verifying
sustainable procurement of natural capital from the ASEAN region**

Hiratsuka, Japan—The Yokohama Rubber Co., Ltd., announced today that it is participating as a collaborating organization in a Japan Ministry of the Environment (MoE) project using advanced technology for evaluating and verifying sustainable procurement of natural capital from the ASEAN region (hereafter, “the Project”), which is being implemented as one of the Japan government’s Cabinet Office programs for “Bridging the gap between R&d and the IDeal society (society 5.0) and Generating Economic and social value (BRIDGE).” The Project was selected for funding by the Environmental Restoration and Conservation Agency of Japan (ERCA), an independent administrative institution, under its program for overseas surveys and compliance with international rules targeting the procurement of recycled resources such as metals and natural resources in foreign countries. The Project will be carried out for one year from April 2024 to March 2025.

The Project is being conducted by Mizuho Research & Technologies, Ltd., in collaboration with Kokusai Kogyo Co., Ltd., and will utilize advanced technologies, such as remote-sensing technology*, to accurately grasp the size of plantations and farms, create quantitative evaluation indicators and judgment criteria for business activities related to natural capital, and develop monitoring methods with the aim of promoting sustainable procurement of raw materials and appropriate information disclosures of the use of natural capital. As a company that procures natural rubber, Yokohama Rubber will contribute to the Project by employing its monitoring method at natural rubber plantations in Thailand.

*This remote-sensing technology analyzes information acquired by sensors mounted on satellites, making it possible to grasp the condition of forests, crop quality, and plant growth conditions in remote areas.

The Yokohama Rubber Group procures the natural rubber used in a wide variety of its products from a complex supply chain composed of many small-scale rubber plantations, intermediaries, and processing plants. It therefore has become difficult for the Group to assess and monitor risks related to environmental issues in its supply chain, such as illegal deforestation or poor water resource management, and ensuring traceability has become an issue for the Group’s promotion of sustainable procurement. Yokohama Rubber expects its participation in this Project to enable it to establish better monitoring and information disclosure methods that improve the traceability of natural rubber in its supply chain and accelerate its efforts to disclose information based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

A founding member of the Global Platform for Sustainable Natural Rubber (GPSNR), Yokohama Rubber revised its "Procurement Policy for Sustainable Natural Rubber" in September 2021 and is strengthening its collaboration with GPSNR activities. Yokohama Rubber is also endeavoring to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations. As part of these efforts, the Yokohama Rubber Group is promoting the procurement of sustainable raw materials, including natural rubber.

Under the slogan for sustainability management "Caring for the Future," Yokohama Rubber is creating shared value by addressing social issues through its business activities.

■Outline of the Project

Theme	Use advanced technology to evaluate and verify sustainable procurement of natural capital from the ASEAN region
Objectives	1. Develop estimation methods that contribute to a better understanding of the suppliers of natural capital 2. Develop quantitative evaluation methods, judgment criteria, and monitoring methods for business activities related to natural capital 3. Develop the tools needed for conducting long-term monitoring in #2
Specific measures	1) Prior to creating impact evaluation indicators, judgment criteria, and monitoring methods for natural capital, a method for estimating the location (size) for which impact assessment should be made to ensure traceability must be established (research objective #1 above) 2) Use recommended tools to develop more advanced temporal and spatial resolutions that will enable more accurate grasping of the current state of contact with nature (business locations, etc.). This information will then be used to identify risks and opportunities and to consider proposed impact evaluation indicators for natural capital (research objective #2 above). 3) Consider one or more quantitative evaluation indicators of the impact on natural capital-related areas that can be grasped using advanced technologies, and receive feedback to verify the feasibility of their use by financial institutions. In addition to the feasibility of using advanced monitoring tools, consideration will be given to their compatibility with information disclosure standards and various certifications for natural capital (research objective #2 above) 4) Since the users will be businesses and financial institutions, consider one or more monitoring methods from the perspective of the method's usability without special knowledge (research objective #3 above)
Period	Aprill 2024 to March 2025
Project implementation structure	Mizuho Research & Technologies, Ltd. (Main R&D organization) Kokusai Kogyo Co., Ltd. (collaborative R&D organization) 【Collaborating organizations】 Yokohama Rubber Co., Ltd. UCC Ueshima Coffee Co., Ltd. Mizuho Bank, Ltd. Biome Inc. BirdLife International Tokyo Etc.