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**YOKOHAMA’s “Procurement Policy for the Sustainable Natural Rubber”**

YOKOHAMA has formulated a Procurement Policy for the Sustainable Natural Rubber (“the Policy”). The Policy explains YOKOHAMA’s stance regarding the procurement of natural rubber, the initiatives being taken by the Company and related requests to its suppliers. The YOKOHAMA Group aims to realize the sustainability of natural rubber by promoting the Policy throughout its supply chain.

In recent years, the demand for tyres and consequently that for natural rubber – the core raw material used in tyre production – has been expanding steadily as the world’s population grows and mobility technologies become more advanced. However, this growth in demands has increased concerns about a host of problems, including unlawful deforestation, land exploitation, human rights violations, and adverse effects on biodiversity, in the countries and regions where natural rubber is produced. To help resolve these problems, YOKOHAMA is participating in the Sustainable Natural Rubber Initiative (SNR-i) being launched by the International Rubber Study Group\*1. The Company is also a member of the Tyre Industry Project (TIP) led by the World Business Council for Sustainable Development (WBCSD)\*2. The WBCSD’s TIP is currently creating a framework to ensure the sustainability of natural rubber. YOKOHAMA’s " Procurement Policy for the Sustainable Natural Rubber” was formulated as part of its global activities in support of the sustainability of natural rubber.

The Policy is based on the contents of SNR-i and the main proposals made by the WBCSD’s TIP at the "World Rubber Summit 2018" in May this year. The Policy outlines the initiatives to be taken by the YOKOHAMA Group as well as those requested of its suppliers in such areas as traceability, respect for human and labour rights, and environmental protection. The Policy also includes initiatives specific to the Yokohama Group, such as sharing the know-how the Group has accumulated through the YOKOHAMA Forever Forest Project\*3 to help members of the Group’s supply chain fulfil the Policy’s requests for their cooperation. The status of initiatives being undertaken under the Policy will be presented on Company websites, including its CSR website (<https://www.y-yokohama.com/global/csr/>).

The YOKOHAMA Group to date has undertaken various activities on its own initiative to secure the sustainability of natural rubber. For example, in Thailand, a major producer of natural rubber, the Group has been conducting joint research on natural rubber with universities since 2013, while also promoting widespread use of an “agroforestry farming method” that contributes to more stable income for the country’s rubber farmers and holding regular exchanges (Suppliers’ Day) with local natural rubber suppliers. Y.T. Rubber Co., Ltd., the Group’s natural rubber processing company in Thailand, has introduced a purification system that recycles the water used at the plant as part of its effort to protect the natural environment and maintain a strong relation based on trust with local residents.

Going forward, the YOKOHAMA Group will work with all members of its supply chain to promote activities that conform to the Procurement Policy for the Sustainable Natural Rubber and further enhance the "Promotion of CSR activities throughout the value chain", which has been designated as one of the important goals of the Group’s corporate social responsibility (CSR) activities.

\*1: The International Rubber Study Group (IRSG) is an international body representing natural rubber and synthetic rubber producing and consuming stakeholders, in member countries and related industries.
\*2: The World Business Council for Sustainable Development (WBCSD) is a CEO-led organization with approximately 200 companies participating from approximately 35 countries. Eleven tyre manufacturers participate in the Tyre Industry Project (TIP), an initiative of WBCSD (as of August 2018).
\*3: The YOKOHAMA Forever Forest Project is a global tree planting project by the YOKOHAMA Group.