

March 16, 2020
For immediate release

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Yokohama Rubber Signs MOU with Rubber Authority of Thailand for Support of Sustainable Natural Rubber Procurement Also surveying natural rubber plantations

Tokyo—The Yokohama Rubber Co., Ltd., announced today that on January 21 it signed a Memorandum of Understanding (MOU) to cooperate with the Rubber Authority of Thailand (RAOT)*¹ to provide economic support for Thai natural rubber farmers and to improve traceability to ensure transparency and soundness of the supply chain. This agreement with RAOT is the latest concrete action based on the company's "Procurement Policy for Sustainable Natural Rubber." The agreement is a follow-up to a survey on Thai natural rubber plantations in Surat Thani conducted by Yokohama Rubber's local natural rubber processing subsidiary, Y.T. Rubber Co., Ltd. (YTRC), since June last year.

YTRC has thus far interviewed about 70 natural rubber farmers and plans to continue the survey with the goal of surveying 500 farmers by the end of 2021. Yokohama Rubber plans to use the survey results to analyze the issues facing natural rubber plantations to better enable the company to contribute to sustainable operations of natural rubber farmers and to improve traceability.

In recent years, the demand for tires and consequently natural rubber—the core raw material used in tire production—has been expanding steadily as the world's population grows and mobility technologies become more advanced. However, this growth in demand has led to growing concerns about a host of problems, including unlawful deforestation, land exploitation, human rights violations, and adverse effects on biodiversity, in countries and regions where natural rubber is produced. To help resolve these problems, Yokohama Rubber is participating in the Sustainable Natural Rubber Initiative (SNR-i) advocated by the International Rubber Study Group*². The company also is active as a founding member of the Global Platform for Sustainable Natural Rubber (GPSNR)*³ launched in October 2018.

To date, The Yokohama Rubber Group has undertaken various activities on its own initiative to secure the sustainability of natural rubber. 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 "agroforestry" that contributes to more stable income for the country's rubber farmers and holding regular exchanges (Suppliers' Day) with natural rubber suppliers. YTRC has introduced a purification system that recycles water used at its plant as part of its effort to protect the natural environment and maintain a strong relation based on trust with local residents.

Under its current medium-term management plan, the Grand Design 2020 (GD2020), Yokohama Rubber is pursuing growth strategies in each of its businesses to strengthen its overall management foundation. In addition, under its CSR policy based on the slogan of “Caring for the Future,” the company is promoting business activities that contribute to society and six categories of its stakeholders, including host communities, business partners and the global environment. Accordingly, the company is endeavoring to achieve the Sustainable Development Goals (SDGs) established by the United Nations in 2015. Activities promoting sustainable raw material procurement are part of that endeavor.

*1: A state enterprise under the jurisdiction of Thailand’s Ministry of Agriculture and Cooperatives (MOAC)

*2: An intergovernmental organization comprising governments of countries engaged in the production and consumption of natural and synthetic rubber

*3: An international organization with 45 regular members and 16 affiliate members, including natural rubber producers, tire manufacturers, environmental NGOs, etc. (as of February 2020)



MOU signing ceremony with RAOT



Survey of natural rubber plantation in Surat Thani, Thailand