



# NATURAL RUBBER PROCUREMENT POLICY

The Goodyear Tire & Rubber Company's ("Company") Natural Rubber Procurement Policy and its principles, along with the Company's Business Conduct Manual and Supplier Code of Conduct, will guide the Company in developing a long-term, sustainable supply chain for its natural rubber requirements ("Policy"). The procurement supply chain for natural rubber is long and fragmented, consisting of Smallholder growers ("Smallholders"), Industrial Plantations, intermediate dealers/consolidators, processors, trading companies, and Goodyear itself. Through the corruption-free implementation and adherence to this Policy and its principles, Goodyear will do its part to:

- Support and protect the rights of workers, land owners, and local people;
- Promote responsible acquisition and management of land utilized for growing natural rubber;
- Promote practices that lead to the ability to trace natural rubber through the entire supply chain;
- Promote the use of responsible and sustainable production techniques;
- Promote the best available growing and harvesting techniques;
- Support the livelihoods of Smallholders; and
- Regularly audit and work with our supply chain on policy compliance.

# KEY PRINCIPLES

## HUMAN RIGHTS

In collaboration with external parties and internally, Goodyear will work to ensure its natural rubber supply chain protects the rights of all involved and fosters a positive working environment at all levels of the supply chain.

- All participants in the natural rubber supply chain shall fully comply with all applicable local, national, and international laws and regulations in the countries in which they operate.
- Suppliers shall comply with applicable local child labor laws and employ only workers who meet the applicable minimum legal age requirement for their location. In the absence of local law, Suppliers will not employ children under the age of 15, except as set forth in the next sentence. If local minimum age law is set below 15 years of age, but is in accordance with developing country exceptions under the International Labor Organization (ILO) Convention 138, the lower age will apply.
- Suppliers shall comply with applicable wage and hour labor laws including those related to minimum wage, overtime and legally mandated benefits.
- Unlawful discrimination will not be tolerated in the workplace, and Suppliers shall comply with applicable local laws concerning discrimination, hiring, and employment practices.
- Suppliers will not use forced or involuntary labor including, but not limited to, prison labor, indentured labor, slave labor, human trafficking, or other forms of compulsory labor.
- Suppliers shall recognize and respect the rights of workers to join organizations of their choosing or to likewise refrain from joining such organizations. Suppliers shall respect the rights of workers to collectively bargain through representatives of their choosing where a union has been established/chosen in accordance with local laws and regulations.
- Suppliers will promote the rights of all workers.
- Suppliers shall provide a safe and healthy work environment in accordance with all local and national laws. All workers shall have the right and ability to leave work each day without injury and Suppliers shall adapt standards to address occupational health and safety risks. Personal protective equipment shall be provided to employees as necessary to ensure a safe working environment.
- Industrial Plantations are encouraged to follow the standards set forth in ILO Convention 110.

## RESPONSIBLE LAND ACQUISITION AND USE

Goodyear will work internally, with its supply chain, and with external parties to promote a natural rubber supply chain that is environmentally and socially responsible, free from deforestation and Land Grabbing, that minimizes impact on biodiversity and local communities, and is economically viable.

- Suppliers shall fully comply with all applicable local and national laws for land use.
- Suppliers shall not plant rubber on known peatland. Industrial plantations should review available maps to identify possible peatlands and take appropriate abatement actions before plantings commence.
- Suppliers shall take reasonable steps to not use fire in the clearing of land for natural rubber planting.
- Industrial Plantations shall follow the High Conservation Value (HCV) toolkit, High Carbon Stock (HCS) toolkit, or other equivalent land assessment and management toolkits to ensure land is appropriate for natural rubber planting and to determine where natural ecosystems should be protected.
- Goodyear will not knowingly, directly or indirectly, contribute to illegitimate appropriation of land in violation of applicable local and national laws, and Legitimate Tenure Rights.
  - o Suppliers and growers shall obtain full, fair consent and ensure adequate compensation where land use is granted. Suppliers and growers shall utilize existing legally mandated stakeholder consultation processes or, where these do not exist or are deemed insufficient, deploy alternative approaches for effective stakeholder engagement.
  - o For land acquired and/or transformed for Industrial Plantation usage, Suppliers shall apply the Free, Prior and Informed Consent (FPIC) methodology and guidelines developed by the United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD). In addition, adequate and fair compensation for any land usage/transfer shall be present in all transactions.

# KEY PRINCIPLES

## TRACEABILITY

Goodyear will take the appropriate steps and support the development of advanced methods to promote practices that lead to the ability to trace natural rubber through the entire supply chain.

- Suppliers with back integration or raw material purchases from an Industrial Plantation will be required to provide transparent, 100% traceability of this natural rubber.
- Traders should have traceability back to the natural rubber processor level.
- To enable a risk-based approach, Goodyear shall work with Suppliers to trace the natural rubber obtained from Smallholders in the following steps:
  - o Country Level Source – e.g., country in which the rubber for the cup lumps, sheets, or latex received by the factory was produced.
  - o Local Area Source – e.g., natural rubber source will be assessed to the general region of a local dealer's/consolidator's business influence and/or assessed to the general region of consolidated farmers/direct sales.
- Goodyear will closely monitor other traceability developments, including third-party approaches.

## NATURAL RUBBER PROCESSING

Goodyear expects its Suppliers who process natural rubber for its usage to manufacture their product in a responsible and environmentally friendly manner.

- Suppliers shall ensure compliance with all local legal requirements and customary rights regarding water usage.
- Suppliers shall ensure that all wastewater produced from natural rubber production is properly treated in full compliance with local regulations.
- Suppliers shall use reasonable efforts to maximize water recycling in the production process.
- Suppliers shall optimize energy usage where possible and practicable.
- Suppliers shall work to control odors from natural rubber production.
- Suppliers shall control, use, and dispose of all chemical substances used in natural rubber processing in line with applicable laws and regulations.
- Suppliers shall ensure compliance with all local laws and regulations regarding the manufacturing process and land usage for the manufacturing facility.
- Suppliers shall utilize processing techniques that minimize scrap natural rubber.

# KEY PRINCIPLES

## NATURAL RUBBER GROWING AND HARVESTING PROCESS

Goodyear encourages its Suppliers of natural rubber to utilize the best-known cultivation practices in the field to ensure maximum yield is obtained from existing planted and replanted natural rubber trees.

- When and where available, all new and replanting efforts shall use only clones recommended by the relevant authority or leading research institutes.
- All new and replanting efforts of Industrial Plantations shall follow planting density guidelines established by relevant authorities. Any trees that do not survive one year shall be replaced as soon as possible.
- All new and replanting efforts of Industrial Plantations shall ensure that the use of natural fertilizer is optimized, biological pest and disease control methods are employed, and chemical use is minimized.
- Suppliers shall actively encourage the best-known cultivation practices such as clone usage, fertilizer application, tree density, and tapping techniques to the Smallholders that supply them with raw materials.
- Industrial Plantations should have a transparent grievance process for local communities.

## SMALLHOLDER OUTREACH, ENGAGEMENT, AND COMMUNITY DEVELOPMENT

As 85% of the natural rubber growing market comprises Smallholders, Goodyear strongly believes that increasing yields and improving the livelihoods of existing Smallholders is one key path forward toward addressing future deforestation and human rights issues related to natural rubber. Furthermore, because the many steps in the natural rubber supply chain impact communities all over the world, Goodyear encourages all its direct Suppliers and relevant members of their supply chain to actively work to improve the communities in which they operate and conduct business.

- Goodyear will complete projects with Smallholders targeted at improving yields and/or livelihoods. For example, projects may focus on replanting with new clones, natural rubber cultivation workshops to increase existing quality and yields, improve harvesting techniques, and outreach to improve education and livelihoods of rubber producing communities.

## POLICY IMPLEMENTATION AND COMPLIANCE

Goodyear is committed to the corruption-free and transparent implementation of this policy and its principles.

- Goodyear will visit 100% of all active Suppliers every two years for an onsite audit. These audits will focus not only on the quality of the supplied natural rubber, but all aspects of this Policy. Issues, gaps, and non-compliances identified will be addressed with collaborative efforts to close associated gaps.
- Goodyear will consult external companies and experts to further focus on sustainability-related areas, and will use data from that consultation to identify and close compliance gaps.
- Goodyear will appoint an independent third party to verify that the policy commitments are being implemented by Goodyear.
- Goodyear commits to the corruption-free implementation of and adherence to this Policy and its principles, and expects all Suppliers in the supply chain to adhere similarly in a corruption-free manner.
- Violations of this Policy may be confidentially reported, including anonymously, through the Goodyear Integrity Hotline (phone numbers and web intake form may be accessed at [www.goodyear.ethicspoint.com](http://www.goodyear.ethicspoint.com)).
- Suppliers shall comply with this Policy and shall cascade it to the relevant members of their supply chain. Goodyear expects that all Suppliers will monitor the relevant members of their supply chain for compliance using reasonably available means.
- Substantiated non-compliance and/or failure to close agreed identified gaps in compliance may result in suspension or termination of the business relationship.
- Goodyear will use reasonable means to be an active business sector participant in appropriate processes and programs that seek sustainable outcomes, deliver social and environmental benefits, and are economically viable.
- Goodyear will transparently report on progress regarding the implementation of this policy.

Goodyear reserves the right to update, enhance, or change this Policy, at any time, for any reason or as deemed appropriate by future learnings and experiences gained through the implementation of this Policy.

# DEFINITIONS

## **FPIC & UN-REDD:**

<https://www.unclearn.org/sites/default/files/inventory/un-redd05.pdf>

## **HCS:**

<http://highcarbonstock.org/>

## **HCV:**

<https://www.hcvnetwork.org/>

## **ILO 110:**

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID:312255](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312255)

## **ILO 138:**

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C138](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138)

## **INDUSTRIAL PLANTATIONS:**

Natural Rubber plantations with an area planted or replanted with more than 50 hectares of natural rubber.

## **LAND GRABBING:**

Land grabbing as defined by The International Land Coalition is land acquisitions or concessions that are based on one or more of the following characteristics: (i) in violation of human rights, particularly the equal rights of women; (ii) not based on free, prior and informed consent of the affected land-users; (iii) not based on a thorough assessment, or are in disregard of social, economic and environmental impacts, including the way they are gendered; (iv) not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing, and; (v) not based on effective democratic planning, independent oversight and meaningful participation. (<http://www.landcoalition.org/en>)

## **LEGITIMATE TENURE RIGHTS:**

Legitimate Tenure Rights as defined by the U.S. Agency for International Development (USAID) is the relationship that individuals and groups hold with respect to land and landbased resources. Land tenure systems are based on rules which legally define the ways in which property rights to land are allocated, transferred, used, or managed in a particular society. When land tenure is legitimate and secure, land can be a cornerstone for economic growth and an incentive for investment, but when land rights are insecure, this can lead to conflicts, instability and the exclusion of vulnerable groups, such as women, indigenous people and the poor. (<https://www.land-links.org/what-is-land-tenure/>)

## **SMALLHOLDER:**

A small-sized, usually family run farm with a typical size of less than one hectare to 10 hectares. Smallholders are characterized by family-focused motives such as favoring the stability of the farm household system, using mainly family labor for production, and using the produce as a means of family income.

## **SUPPLIERS:**

Entities or individuals that directly supply Goodyear or its subsidiaries with products or services related to natural rubber.