Case Study

Responding to emerging risks: establishing a sustainable supply chain of natural rubber

1. Overview
About 70% of the natural rubber produced is used in tire manufacturing, and 85% of this rubber production comes from small holders. The sustainability of the natural rubber supply chain is critical for the development of the tire industry.

The Global Platform for Sustainable Natural Rubber (GPSNR) was launched in 2018 with leading auto makers such as BMW, Ford, and GM participating as members. In 2016, GM publicly announced a commitment to purchasing tires made from 100% sustainable natural rubber (SNR). If we cannot ensure the sustainability of natural rubber, we may become unable to sell tires for new vehicles.

2. Our response
To ensure the economic, social, and environmental sustainability of our natural rubber supply chain, we formulated an SNR policy stipulating social responsibility along the supply chain. This policy will allow members of the supply chain, including growers, traders, processors, and manufacturers, to comply with the pertinent laws and regulations of the countries of our presence and fulfill all social responsibilities regarding human rights, the environment, and transparent business operations.

In particular, through this policy we will work to support growers in improving quality of life while enhancing both productivity and the quality of natural rubber.

3. Results
The Tire Industry Project (TIP) with eleven tire companies participating as members formed a working group on SNR, and launched the GPSNR on October 23, 2018. The GPSNR is a global platform that involves different stakeholders, including growers, traders, processors, and manufacturers (tire and other rubber industries), car makers and NGOs.

4. Future plan
As a member of the GPSNR, we will establish and implement an action plan for an SNR supply chain.

↑ The GPSNR General Assembly (in Singapore on March 22, 2019)