

CSR Report of Hangzhou Yokohama Tire Co., Ltd. (CHZY)

Business activities: Production and sales of tires for passenger cars
Total site area: 133,000 m²
Number of employees: 1,442 (as of March 2017)
Location: 55, No.3 Street, Hangzhou Xiasha Economic and Technological Development Area, Hangzhou 310018, CHINA
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Message from the President



Ken Hayami

Hangzhou, where Hangzhou Yokohama Tire Co., Ltd. (CHZY) is located, is a city with an excellent environment, as reflected in the Chinese saying “paradise in heaven, and Suzhou and Hangzhou on earth.” It is a city blessed with such beautiful scenery as “West Lake,” a world heritage site. As always, being aware that we are in such a location, we have made improvements in order to be one of the region’s most outstanding companies in the areas of safety, environmental

protection and quality management, in collaboration with the city government and the development area. As a result, CHZY is positioned as an Environment Education Base and as a Safety Model Company. We will continue to carry out improvement activities aiming at being a company that is trusted and admired in the region.

Organizational Governance

Compliance education

Following on from the previous year, we continued to implement our basic internal controls framework. As a result of these efforts, there were no incidents of misconduct over the period from 2015 to March 31, 2017. In addition, we educate all employees on legal compliance topics once every six months.

Human Rights

Education on respect for human rights

Employees are recruited irrespective of race, religion, nationality, gender, appearance or age. Screening and interviews are conducted pursuant to company regulations, and excellent human resources who satisfy our employment standards are selected. It should be noted that, in accordance with local laws, we do not engage in the employment of minors.

Labour Practices

Safety Policy

The safety and health of all employees represents the foundation of CHZY. We are a company that is trusted. This trust comes from the zero danger that we derive through our operation of our Occupational Safety and Health Management System, which is achieved through the cooperation of all employees as we work together to build a safe, healthy and comfortable workplace.

Safety and health targets

1. Zero accidents (regardless of whether the accident requires time off work), zero fires, and zero occupational health problems
2. Making the preparations needed to secure China State Safety Standards Grade 1 Certification

Safety and Health Policy

1. In compliance with laws and regulations, and based on internal regulations and standards, we will ensure the safety and health of all employees
2. We will build safety through equipment, and protect ourselves through the provision of suitable protective gear
3. We will implement appropriate safety measures with respect to everything that we use
4. By holding regular training, we will review important safety and health arrangements and ensure that employees are familiar with them
5. We will work constantly to raise awareness and develop real “safety-oriented employees”
6. Through these activities, we will build up a corporate culture emphasizing safety and peace of mind at CHZY

Education and training for employees

Safety education and training for employees is provided not only for new employees at the time of entering the company but also for all employees once a year.

“Safe employee” awareness of all employees is evaluated not only for employees on sites but also for employees working in the administrative department. We have been stimulating “safe employee” awareness of all employees by deploying KYT (Hazard Prediction Training) activities. Based upon the safety results we have achieved thus far, CHZY has been recognized by the Hangzhou Development Area as a Safety Model Company. We obtained Japanese Occupational Safety and Health Management System (OSHMS) Certification in the beginning of 2012.

Those standards exceeded what was demanded by government. In November 2014, we were again audited for OSHMS Certification and passed; we also passed our China State Safety Standards Grade 2 Certification re-audit. Looking to the future, we are working to pass the China State Safety Standards Grade 1 Certification.



Zhejiang Province Safety Model Business Plaque

Responses in case of disasters

- The department in charge of safety and the person in charge of firefighting at each department conduct periodic inspections every month, and the operation status of fire-fighting systems and results of inspection of the fire-fighting equipment are reported at the safety meeting.
- In preparation for a power failure, an engine pump is installed in a product warehouse and operation inspection is conducted every month.
- We conduct fire-fighting and evacuation drills for all employees every year.
- We conduct exercise drills in case of occupational accidents every month.

Promotion of gender equality

China is a country of gender equality and a competent person can be promoted as wages and promotion are determined regardless of gender. Among the managers of the company, there are four female department general managers and four female section managers.

Employment of people with disabilities

We actively employ people with disabilities corresponding to the recommendations of the national government. We now have 22 people with disabilities and have been commended as a model company employing people with disabilities in Hangzhou in fiscal 2016.

Promoting environmental management

2017 Environmental Policy

Basic policy

We aim to be a top-class environmentally-friendly enterprise that is trusted by the local community and by society as a whole.

We also aim to make a positive contribution to Hangzhou in its development as an environmentally-friendly city of culture.

Environmental Policy

1. We comply with laws and regulations and take sufficient preventive measures against environmental pollution.
2. Using the ISO 14001 Management System, we promote continuous improvements.
3. By thorough reduction of industrial waste, we will continue toward complete zero emissions.
4. Through energy-saving activities involving all employees, we strive to reduce CO₂ emissions; we also contribute to the prevention of global warming by providing environmentally-friendly products.
5. We promote a variety of activities to safeguard biodiversity, including the YOKOHAMA Forever Forest initiative, and we will continue to contribute to the recovery of the local natural environment in the future.
6. We will continue education and awareness-raising activities so that all persons working at the Company understand the policy and act in accordance with it.

Environmental data

Category	FY2012	FY2013	FY2014	FY2015	FY2016	
Waste generated (t)	1,065.5	1,390.0	1,540	1,458	1,205	
Proportion sent to landfill (%)	0.0	0.0	0.0	0.0	0.0	
Landfill waste (t)	0.0	0.0	0.0	0.0	0.0	
Energy use (oil equivalent: kl)	Electric power	8,785	10,856	11,791	12,177	13,375
	Fuel	7,666	9,187	9,952	10,374	11,507
	Total	16,451	20,043	21,743	22,551	24,882
Greenhouse gas emissions (1,000 t-CO ₂)	46.3	56.1	60.8	71.8	79.3	
Water usage (1,000 m ³)	88	119	121	98	75	

* FY: January to December

* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan. Calculation of emissions from overseas business locations in FY2015 was based on the Greenhouse Gas Protocol Initiative.

Reporting on chemical substance management status (Pollutant Release and Transfer Register (PRTR) Law compliance)

China promulgated a new law on the management of discharges of chemical substances in April 2013; we are handling chemical substances in accordance with the detailed regulations for implementation of this law.

Noise, vibration and odor

We periodically undertake the measurement of noise and vibration in order to address problems, and implement measures such as the installation of sound-proofed walls. As regards odor countermeasures, dry deodorant devices were first employed by Yokohama Rubber in 2010, being installed in all mixers in the mixing process. This action reduced odors by 80%. To further reduce exhaust gases, by November 2013 we completed the installation of 54 exhaust deodorant devices that have been installed in the roof. This equipment is used during the vulcanizing process.

As a model company in the reduction of waste, we completed an effluent treatment facility in May 2013. Our discharges of waste also fall below the maximum values specified by the Chinese Government.



Emission purification equipment



Vulcanization exhaust deodorization device

Basic Policy

We aim to be a company that responds rapidly to social change, is widely trusted within the local community, and that everyone who works here is proud to be a part of.

CSR Policy

1. We will continue to comply with laws and regulations, and to maintain a harmonious relationship with, and develop together with, the local community.
2. We will continue to emphasize fairness and equitableness, and to implement education and cultivation efforts aimed at ensuring that all employees understand the importance of these values.
3. We will put in place the systems needed to prevent improper behavior, and will create a working environment in which employees can work with full peace of mind.



Communication with consumers

As CHZY is a manufacturing company, we do not directly respond to consumers. Rather, we sell our products to the sales company of our group.

Responses to complaints

To complaints about products from OEM and dealers, the Quality Assurance Design Department responds.



Relationship with local societies

Major events

- On April 14, 2016, we undertook a survey of the plants in the YOKOHAMA Forever Forest area within the plant, in collaboration with local university students.
- On May 22, 2016, which was the International Day for Biological Diversity (World Biodiversity Day), we announced the results of our wetlands ecosystem survey to the media. More than 50 local residents also participated in the event, at which a group of over 20 CHZY managers (at department manager level and above) and volunteers from local universities undertook removal of unwanted non-native plant species.
- On June 5, 2016, which was World Environment Day, a new NPO "Green Alliance" was established in response to a suggestion by the Development Area Administration, bringing together business enterprises, local residents' organizations etc. to undertake environmental protection activities. CHZY is participating in this initiative, and is serving as a standing director of the new NPO.
- On June 30, 2016, we hosted a visit from 200 schoolchildren from Jiangwan Primary School, a local elementary school, at which the children participate in an environmental education activity. Including this activity, we hosted a cumulative total of over 400 visitors during the first half of the year.
- Prior to the holding of the 2016 G20 Hangzhou Summit, the Chinese Government implemented frequent sampling inspections of the environmental performance of firms located in the Hangzhou area. In July, CHZY was the subject of three such inspections (all of which were made without advance warning); no problems were found.
- On the afternoon of December 3, 2016, a YOKOHAMA Forever Forest tree-planting activity was carried out within the plant grounds; approximately 1,000 trees were planted.

Plant tours

Plant tours are given to a wide range of participants, including government officials, local residents, schoolchildren and students, business partners and tire dealer customers.



Biodiversity activity