

# CSR Report of Yokohama Rubber Industrial Products-Shanghai Co., Ltd. (YIPSH)

**Business activities:** Sales of Yokohama Rubber industrial products (imports and Chinese domestic products) within China

**Total site area:** 141 m<sup>2</sup>

**Number of employees:** 15 (including concurrently working at group companies; as of July 2017)

**Location:** 10F, Gubei International Fortune Center, 1452 Hongqiao Road, Shanghai, China

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## Message from the President



Toshiyuki Nishida

Yokohama Rubber Industrial Products-Shanghai Co., Ltd. is an industrial products sales company that was established in May 2011. In April 2017, we moved from offices near the Consulate-General of Japan in Shanghai to the same offices as Yokohama Rubber (China), which is our parent company, and CTSY, which is a tire sales company.

With respect to the industrial products production company that commenced operations before us, it mainly developed its business by having Japanese companies as users. However, the mission of this company

is to expand sales among local Chinese businesses. Whenever possible, previously we responded to customers with domestic products that were produced in China. When such a response was not possible, we imported

products from Japan.

Since 2014, demand for industrial rubber products has fallen, and a situation has continued whereby we are unable to fulfill our mission to expand sales, but since the second half of last year, market conditions have improved, and the sterling efforts of our employees have enabled us to increase sales somewhat. By borrowing the power of our group of companies within China to leap further, we would like to rapidly proliferate Yokohama Rubber's excellent products within China.

Although China is a large country, our young sales staff works throughout the nation on a daily basis. Please let us know if you are interested in Yokohama Rubber products. We look forward to receiving your inquiries.



## Organizational Governance

We are aware of Chinese business practices that can lead to bribery and corruption, and we are committed to sound organizational operations.

The company's corporate policy is clarified as follows.  
**"Compliance is a hard-and-fast rule (make absolutely sure to observe social rules!)"**

## Human Rights

China is a country composed of 56 ethnic groups, with the Han Chinese accounting for 92% of the population and minority ethnic groups accounting for the remaining 8%.

In addition to non-discrimination in the employment of men and women, there are also no restrictions on the employment of ethnic groups.

## Labour Practices

Employee retention rates in China are low. Nevertheless, as previously stated, we do not engage in any discriminatory practices such as focusing upon the gender of applicants when conducting our recruiting. This includes when we want to supplement our workforce.

Indeed, although we are only a small company of less than 20 persons, as with our sister companies of the Yokohama Rubber Group, labor contracts in accordance with Chinese law are exchanged with candidates only after all the different articles have been settled.

After recruitment, new hires receive brief explanations during the course of a concentrated orientation program. However, for important themes such as compliance, seminars occur again and again through the holding of management meetings, etc.

Although we don't have any factories and we are a small company, we cooperate with Yokohama Rubber (China) Co., Ltd., a holding company within this country. This cooperation is ongoing, and we share with them information regarding responding to disasters, etc.

Moreover, a communications network has been created that can be used to link together all group companies in China during times of disaster, and we have established systems that will allow quick communication with all employees in China if and when disasters occur.

Additionally, we always have a grasp of employees who travel to China on business trips, and we have a system for them like the one for China-based employees.

Along with the aforementioned holding company and a tire sales company in Shanghai, we conduct a number of common activities such as medical check-ups and employee education, etc.

Employee trips are held every year.

An overnight trip to a hot spring was conducted in fiscal 2016, where we feasted on Shanghai crabs.

In 2017, the employee trip was to Macao for two nights and three days, where we fully enjoyed a water show and Portuguese cuisine, etc. During the periods of free time, our employees each enjoyed activities such as visiting tourist attractions within the city, shopping expeditions and visits to casinos.



## Promoting staff activities

In that we are a small company, we do not have many new hires. However, when engaging in recruiting, we do not set gender as a condition of employment.

We also have female employees working in sales positions that involve them traveling around the country, and since the spring of 2014, one of our female employees has been working in the role of section chief. Furthermore, although we have thought about wanting to employ disabled persons, unfortunately we have yet to establish a track record.



## The Environment

We conduct environmental management practices in accordance with the Environmental Basic Policy of Yokohama Rubber. However, we do encounter environmental issues that are beyond our control in that we cannot obtain data because our premises are rented within an office building. Also, our lighting and heating expenditures are included in the rent. Furthermore, we are not required to segregate our garbage before disposing of it, etc. At the three Shanghai-based companies, with the cooperation of a contractor who specializes in the recovery of old PCs, mobile phones,

digital cameras and their associated parts, along with disused items that employees brought from their own homes, we collected together a bunch of such recyclables and then separated them out accordingly. Recently, collected items have been expanded to include clothing and paper, and collection activities for disused items are conducted throughout the year. Furthermore, through our core business of "sales", we are working to expand the market for the environmentally-friendly products recommended by Yokohama Rubber.



## Fair Operating Practices

The company's suppliers are all group companies, and there are no issues regarding fair trade. The company believes that observing compliance is essential for conducting fair business, and observing compliance is also set forth in the

company's policies. In addition to making everybody thoroughly aware of this fact at monthly management meetings, Compliance Committee Meetings are held every month, with Yokohama Rubber (China) Co. Ltd. being at their heart.



## Consumer Issues

Although much of the selling undertaken by this company takes the format of being conducted through agents and trading firms, we do take care to directly visit users who use our products. Through such activities, we get to hear the voices of users, and we attempt to obtain information from them quickly.



## Community Involvement and Development

Due to the company's location, it is difficult to have direct relationships with regional communities. However, we actively participate in YOKOHAMA Forever Forest Project activities and the Laojun Mountain Nature Reserve protection activities carried out by Group companies in China. We have also donated beehives in order to support honey production in villages.

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