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1

For the Global Environment



Yokohama Rubber addresses environmental issues by developing and providing sustainable products.

We challenge to build a sustainable society in harmony with the environment, to protect our blue planet and human beings.

We aim to support the hydrogen energy society of the future with our high-pressure hydrogen gas hoses

2015 marks "the first year of hydrogen," the year when the full-scale market deployment of hydrogen fuel cell vehicles (FCVs) began. Because emission-free, energy-efficient FCVs are considered to be the ultimate eco-cars, the development of hydrogen stations is assumed to be one of the priorities of infrastructure development across the country. Yokohama Rubber has been working on the development of the hoses necessary for supplying high-pressure hydrogen gas to FCVs.

In accordance with the recent adoption in Japan of the "Global Technical Regulations (GTR) for hydrogen and fuel cell vehicles" and the subsequent revision to Japan's safety regulations for containers, it is now possible in Japan to provide hydrogen to FCVs at the international standard of 87.5 MPa, so that appropriate hoses corresponding to the new standards are required. An enhanced development team at Yokohama Rubber has been working on the development of 87.5MPa-compatible hoses as required by current regulations, under a project commissioned by the New Energy and Industrial Technology Development Organization (NEDO). Under a joint research project with Iwatani Industrial Gases Corp., Yokohama Rubber has been actively seeking out new applications of hoses for high-pressure hydrogen gas, and has developed a 35MPa-compatible hose, "ibar HG35," and a 70MPa-compatible hose, "ibar HG70." Currently, we are making the best use of the hose design and technology we have thus developed, the hose evaluation technologies developed in hypothetical real-use environments, and the knowledge gained from hydrogen station demonstrations, to advance the development of safer and more reliable 87.5 MPa-compatible hydrogen gas hoses. We are also working in collaboration with Iwatani Corporation, the operator of hydrogen stations, to enhance our developmental team in response to market needs.

With our development of high-pressure hydrogen gas hoses, backed up by our leading design and evaluation technologies, we have already begun to tackle our goal to contribute to building the infrastructure necessary for a hydrogen energy society.

Message from the team



Energy-efficient, greenhouse gas-free hydrogen will surely become a common energy source essential to our everyday life in the future. As the use of hydrogen energy has expanded to household fuel cells as well as FCVs, and is still expanding, Yokohama Rubber is committed to the development of hydrogen gas hoses that ensure stable operation in a variety of harsh environments. Our hope as the development team is to make contributions to the solution of global warming thorough product development in support of supplying low-carbon energy.

Nariaki Ishikawa, Ikuma Yusa, Naoshi Yamaguchi, Mie Okura, and Tatsuya Minaguchi

Hoses and Couplings Division

Susumu Hatanaka

MB Materials Development Division

Hideaki Washio

Hoses and Couplings Sales Division

Message from the manager of Iwatani Corporation



The development of hoses that meet the three stringent requirements of hydrogen, high-pressure, and low-temperature, requires extremely high technological competence. We sense Yokohama Rubber's earnestness to stay the course in addressing each issue, even in the face of various obstacles. We expect that Yokohama Rubber will realize Japan's first 87.5MPa-compatible hose in practical use, and that its specification will become the global standard. As we also have many years of knowledge regarding hydrogen, we would like to continue our joint research in order to realize the clean hydrogen energy society of the future.

Mr. Ryuichi Hirotani

Senior Manager,

Hrs systems, Hydrogen energy division, Iwatani Corporation

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Together with Local Communities



Yokohama Rubber addresses community issues by conducting locally-oriented activities that value the importance of communicating with local communities.

We build a trusted identity as a contributing member of the global community by making contributions to the development and prosperity of local communities.

Contributing to the reconstruction of earthquake-affected areas with the know-how acquired through our "YOKOHAMA Forever Forest Project"

Since 2007, our "YOKOHAMA Forever Forest Project" has been planting trees at domestic and international production sites according to the Miyawaki method, in which we do not simply "plant" trees but rather employees at each production site are actively engaged in the whole process from rearing the seedlings to cultivating and growing the trees. Making use of our experience with the "YOKOHAMA Forever Forest Project," in 2012 we constructed a 300-meter long "Inochi wo mamoru mori no bochoitei" (Forest on Coastal Levee that Protects Lives) in Otsuchi town, Iwate, one of the areas affected by the Great East Japan Earthquake. The forest was named "Heisei no mori" (Forest of the Heisei Era), and in the three years since its establishment, together with townspeople we have planted 150 meters of the area with trees. Showing his appreciation for the project, the mayor of Otsuchi Town, Mr. Ikarigawa, commented that "the rubble here isn't simply disaster waste, but is a part of the daily lives of those who suffered from the earthquake here, a memento of lives lost, in a certain sense. The forest created out of that rubble is a commemorative forest for us, and also serves as a valuable reminder so that the disaster will not be forgotten in the future."

In 2014, 64 fourth graders from Otsuchi Elementary School planted trees in "Heisei no mori" under the mentorship of Dr. Miyawaki, as a part of their classwork for "Furusato ka" (hometown studies). We will continue to collaborate in tree-planting activities at elementary schools, in hopes that planting seedlings which they will rear by themselves in the forest overlooking and protecting their hometown, "Mori no bochoitei," will nurture students' love of their hometown.

We are also engaged in similar reconstruction assistance through tree-planting in other areas affected by the Great East Japan Earthquake. Since 2012 we have participated in a tree-planting project "Sen-nen kibou no oka" (Hill of thousand-year hopes) in Iwanuma city, Miyagi, by providing seedlings. Beginning this year, 2015, we are planting trees in Fukushima's Somakoyo Football field, where they contribute to a disaster-prevention center in collaboration with the Public Interest Incorporated Foundation Re-use of Debris: Great Forest Wall Project. We will also join the tree-planting in "Inochi wo mamoru 'Kibo no mori tsukuri'" ('Creation of a forest of hope' to protect lives), a forest with a total length of 10km along the coastline of Kakegawa City, Shizuoka Prefecture, to prepare for the possibility of Tonankai earthquakes.

Message from a staff member



The fourth graders at Otsuchi Elementary School joined our tree-planting project last year in our reconstruction efforts in Otsuchi town. I felt rewarded to see the children, who went through the painful experiences of the great earthquake right before their entrance into elementary school, plant trees with delight. Now, the seedlings in pots have grown just as the children have. I am deeply moved by thinking about the children proudly talking about the forest to their own children in the future, when the seedlings they planted have become a forest that protects lives. I hope that the tree-planting project will help people in the town to look to the future.

Atsushi Kanazawa

CSR and Environmental affairs department

Message from an elementary school teacher who participated in the tree-planting activity



The Great East Japan Earthquake destroyed the center of Otsuchi Town, resulting in huge numbers of human casualties. Under such circumstances, the children in the town live with a belief in the bright future. Otsuchi Gakuen Elementary School has a course called "furusato ka" (hometown studies), an educational program to foster children's appreciation of their hometown. It has been 2 years since our fourth graders participated in the tree-planting project with the people from Yokohama Rubber, as a part of this educational program. This "YOKOHAMA Forever Forest project" has been a great opportunity for each student to think about disaster-prevention, the preciousness of life, the global environment, and town development in the future.

Ms. Noriko Sotodate

Head Teacher, Otsuchi Gakuen elementary school

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Yokohama Rubber's Important Issues

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Together with Our Customers



Yokohama Rubber addresses customer concerns by professionally delivering safe products and services to our customers.

We supply safe and secure products through manufacturing focused on the heart and technology.

We strive to provide safe products and services by ensuring the safety of our products throughout the entire production and delivery process.

Potential quality issues of our tires and other products could have a great impact on customers' assets as well as the environment. For sustainable business, it is essential to build customers' trust by providing safe products. Quality issues could lead to the disintegration of consumers' trust. Recognizing this possibility, Yokohama Rubber has set "health and safety for our customers" as an important task, and we will continuously promote quality improvement activities in order to evaluate product safety risks and to prevent the recurrence of quality issues. It is important that quality control measures include measures to prevent quality issues from occurring in the first place, restrict the distribution of flawed products once an issue has been identified, as well as to identify the sources of the problem. Once a problem occurs, we need to identify the root cause and implement a permanent countermeasure without delay. We, Yokohama Rubber, always treat the safety of customers as a priority in all quality control issues.

To ensure the quality of products and services expected by our customers, Yokohama Rubber places experienced engineers at distribution and sales bases in domestic and overseas markets, and regularly holds internal training workshops on the specifications and handling of our products. In FY 2014, we held 122 workshops, in which a total of 600 people participated across the company. We have increased opportunities to visit customers and also held regular workshops to help our customers in the safe and secure use of our products. We encourage communication between the tire and industrial materials division, to share information in order to realize appropriate professional responses toward customers and products, and to build a global service structure to satisfy our customers.

Message from a staff member



In the overseas market, which I am in charge of, we implement regular reviews and on-site training workshops at customers' facilities to help them to handle our products safely and properly. When we present information on how to handle YOKOHAMA brand products to customers from different countries, we are continuously making efforts to improve our communication skills and product knowledge in various ways, including translating presentation materials into local languages with support from local agencies, to improve customers' understanding of our products. We strive to improve our service structure to properly respond to our customers and products through communication and cooperation with the tire division.

Hirofumi Terauchi
MB development service division

Message from quality assurance consultant (aerospace industry)



Regarding quality control issues, Yokohama Rubber has shifted its focus from "preventing reoccurrences" to "preventing issues from occurring." They focus on pursuing the quality that customers expect, collecting information, and identifying and removing potential risks. Regarding quality issues, they act according to "Sangen shugi" (three reality principles) to understand reality, and operate their business with risk assessments from the customer's view point, quick responses by analysis, and "thought based on risks" in the quality management system. We would like to suggest expanding the activities of prevention from occurring to the supply chain,* as the occurrence rate of quality issues is expected to increase when overseas suppliers increase in the future.

Mr. Kiyohide Monma
TF Management

* Supply chain:

The series of activities or stakeholders providing products and services to an organization.

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4

To Our Stakeholders and Investors



Yokohama Rubber addresses issues of stakeholder concern by sharing value among various group employees in order to improve the company's value together as a team.

We improve our company value by growing business opportunities.

Yokohama Rubber's goals as we approach our 100th anniversary (FY 2017)

Since 2006, the Yokohama Rubber Group has been working toward the achievements set out in our medium-term management plan, Grand Design 100 (GD100),¹ with the financial goals of one trillion yen in sales, 100 billion yen in operating profit, and a 10% operating profit ratio by FY 2017. GD100 is divided into 4 phases of 3 years each, and FY 2014 was the last year of phase III, which began in FY 2012. Phase III set a financial goal of 1.8 trillion yen in sales, 150 billion yen in operating profit, and an 8.3% operating profit ratio for total of 3 years. By the end of phase III, we had achieved 1.7866 trillion yen in sales, 165.4 billion yen in operating profit, and a 9.3% operating profit ratio. Beginning in FY 2015 we entered phase IV, with FY 2017 as the final year, marking the completion of GD100 and the first step towards our next 100 years of growth. We set the theme of "Consolidating YOKOHAMA's potential to pioneer the next 100 years" for phase IV, in which we will solve unfinished business issues and will work on the 3 years of phase IV by bringing all of our potential together, including improving sales, technical and financial potentials, and operational efficiency. In promoting global business expansion, one of the goals outlined in the GD100 business strategy, we will have many opportunities to entrust each employee with various decisions regarding daily operations, such as how to deal with cultural and value differences in regions where we expand our business, and how to respond to ever-changing and everexpanding social requirements. We therefore revised the "Yokohama Rubber Group Action Guideline" to make it more authoritative regarding employees' actions and decisions, which are becoming increasingly diverse. We will distribute the code of conduct, which includes the content of the UN Global Compact² and ISO26000,³ to all employees at all offices and production sites. We will improve our corporate value based on the idea that we must be a socially trusted company in order to achieve the goals of GD100.

¹ Medium-term Management Plan (GD100) :

Grand Design 100 is the name of the medium-term management plan launched by the Yokohama Group in fiscal 2006. The 12-year plan spans until fiscal 2017 when the company will celebrate its 100th anniversary and comprises four phases. Fiscal 2015 to fiscal 2017 is Phase 4, the final phase of the plan.

² UN Global Compact :

A voluntary initiative in which companies participate in a worldwide framework for realizing a sustainable society by taking action as a good corporate citizen through creative and responsible leadership.

³ ISO26000 :

A set of guidelines created by the International Standards Organization (ISO) on the social responsibilities of companies and other organizations.

■ Please see [our official website](#) for details regarding our financial goals, business and technology strategies, and the company-wide strategy.

Message from a staff member



Our CSR^{*4} started from environmental protection and has grown to become a CSR operation based on ISO26000, the GRI guidelines^{*4} for disclosure, and the acceptance of the UN Global Compact, with global standards always in mind. We have come to recognize the importance of CSR through encouragement from our top executives to understand "CSR" as "society's trust in us" instead of "our social responsibility," safety and health activities on-site, compliance^{*6} activities, the Forever Forest Project, and biodiversity conservation activities. Now we will promote and share the value of "winning unshakeable credibility from society" as a whole group, based on the new code of conduct.

Yuichiro Chigira

Corporate Compliance Dept.

^{*4} CSR :

An acronym for corporate social responsibility. At Yokohama Rubber, we view CSR - as the trust placed in a company by society. Toward that end, we are working to build a trusted identity as a contributing member of the global community.

^{*5} GRI Guidelines :

International guidelines on sustainability reporting for organizations.

^{*6} Compliance :

The act of abiding by laws, regulations, and social norms.

Manager of Yokohama Corporation of North America (tire business controlling company in North America)



Yokohama Tire Corporation (tire sales company) has set and used the code of conduct by sharing it with employees via our internal network system. It is important for the code of conduct governing the entire Yokohama Rubber Group to address reporting misconducts and infringement, workplace safety, and privacy and information management, in consideration of the description of our business, corporate culture, and expectations of employees, as well as to specify applicable laws and regulations. It may be also efficient to add items that reflect the characteristic features of each group company. I think it will be necessary to develop human resources to work on the promotion and adoption of the code of conduct.

Ms. Stephanie Beaulac

YCNA Senior Director, HR

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Yokohama Rubber's Important Issues

5

Together with Our Business Partners



Yokohama Rubber addresses CSR^{*1} issues by implementing workshops, awards programs, and site visits.

^{*1} CSR :

An acronym for corporate social responsibility. At Yokohama Rubber, we view CSR - as the trust placed in a company by society. Toward that end, we are working to build a trusted identity as a contributing member of the global community.

We promote CSR activities throughout the value chain^{*2}.

Yokohama Rubber strives for sustainable procurement of natural rubber through the strong relationships of mutual trust.

Yokohama Rubber has various sources for raw materials and indirect materials to make our products. The most important thing we consider is to have a stable supply which is not affected by any conflicts, natural disasters and so on. We believe that keeping good relationships and collaborating with our partners are the keys to keep the stable supply. Therefore, we have started to look into the situation of CSR activities not only of our primary partners but also of our secondary partners through collaboration.

Natural rubber-the essential material for our rubber products, is mainly sourced from Southeast Asia. We communicate with rubber farmers and natural rubber processors in order to understand more about their working environment and human rights problems, which we consider to be an important aspect for our stable supply and working together with them for the improvement if needed.

In FY 2014, we invited some of rubber farmers who have business with us to our natural rubber processing plant in Thailand and confirmed that there are no significant problems in terms of working environment or human rights issues. As a next step, we will share the information of CSR activities conducted by our partners in Southeast Asia and collaborate with them. By doing so, we will be able to understand the 60% of the current situation of our natural rubber suppliers.

In 2015, the International Rubber Study Group (IRSG); an inter-governmental organisation composed of rubber producing and consuming stakeholders, has published guideline for rubber farm management. The guideline covers the stable procurement of natural rubber (maintenance of quantity and quality), sustainable farm operation (management of farmland and water), human rights, and the improvement of working environment. We will keep developing various ways of supports by keeping up with the certification trend, surveying for our partners and rubber farms, and collaborating with local NGOs.

^{*2} Value chain :

The overall series of activities or stakeholders providing or receiving value in the form of products or services.

Message from a staff member



I first thought that it wouldn't be easy for natural rubber producers to implement CSR activities as most of their businesses are small. However, through the visits to our partners and rubber farms, I learned that our local partner had already started to put their care about safety and environment into action. We will expand our quality verification survey not only to our partners but also to the rubber farms and individual producers in the future. We seek for what we can do for sustainable natural rubber supply and will endeavour to create CSR programs which can strengthen the relationships with our partners.

Yuta Ozawa

Raw Material Procurement Department, Singapore Branch

Message of encouragement from a partner (a natural rubber processor)



It is very important for us to establish strong bonds with the local people in Indonesia, and to create sustainable value from rubber in order to realize sustainable business. Especially, focusing on improving the production efficiency of natural rubber, we evaluated and built community development and environmental programs in 2014. Currently, we are conducting 5 major social programs: health promotion, education enhancement, economic development, social and cultural events, and infrastructure building. We believe that we can meet our goals and create efficient programs for small rubber farms by conducting surveys and engaging in dialogue about small-scale farms with Yokohama Rubber.

Mr. Martinus S. Sinarya

PT.KIRANA MEGATARA (CEO)

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Yokohama Rubber's Important Issues

6

Together with Our Employees



Yokohama Rubber addresses employee issues by creating a safe working environment using our original approaches.

We value and develop our people, and create opportunities for people.

We build a culture of workplace safety through the full participation in activities to deliver safe products from safe workplaces.

Based on the idea that "safety and health are the basis for everything," Yokohama Rubber implements safety activities focusing on "human," "equipment," and "management," with full participation of the management and employees. We are working to continuously improve safety and health by employing the PDCA^{*1} (Plan-Do-Check-Act) cycle in our safety and health management system, which includes a variety of unique activities including one-on-one trainings and safety-worker^{*2} evaluations, as well as 5S,^{*3} Hiyari-Hatto (near misses),^{*4} KYT (Kiken Yochi Training/ hazard prediction training), and risk assessment. We also make contributions to the improvement of the societal safety level by promoting safe communications between companies and collaboration with safety and health organizations. The significant contributions of our whole-group initiatives for safety and health were recognized by the Japan Industrial Safety and Health Association (JISHA), and received the 2014 chairman award. We will continue our safety and health-related activities to build a "zero accident" and "zero hazard" safety culture.

At our Mie Plant, we promote the identification, assessment, and improvement of potential hazards with a risk-assessment approach, as an initiative for safe equipment and the prevention of accidents even in case of human error. We have shifted from "passive learning" to "positive learning" by revising our human-focused activities from group training to personal training and from classroom lectures to experience-based workshops. We aim to develop human resources who do not cause nor let others cause accidents by recognizing and improving personal weak areas as a group. To be more specific, we educate people to be able to think about how to respond when they recognize hazards. We recognize good case examples and encourage employees to take on challenges without fear of failure, regardless of an employee's position or employment status, an approach which has already resulted in various on-site employee inventions. Through these activities we will familiarize all operators with an easy-to-understand SOP,^{*5} in order to promote the development of safer plants.

^{*1} PDCA :

A method for continually improving operations through the repeated cycle of plan, do, check and act.

^{*2} Safety Worker :

An individual with accreditation in safety skills based on the company's rules.

^{*3} 5S methodology :

The 5S stand for sort, systematic arrangement, shine, standardize, and sustain. These activities aim to keep the workplace neat and clean, improve employee morale, increase work flow efficiencies, and prevent the occurrence of defects or trouble, and improve workplace safety.

^{*4} Hiyari-Hatto (near misses) :

A near miss that potentially could have lead to a serious disaster or accident.

^{*5} Standard Operating Procedure :

Helps employees to work efficiency, safely and with surety.

Message from a staff member



Since I was designated as a safety and health staff member in July 2014, far from developing greater awareness of the issues my days have been filled with trying to remember a great deal of new information. My biggest concern has been how to protect the health and safety of the people who work at our plant. I have been trying to communicate with the workers while devising various ways to use my feminine wisdom. I really appreciate the approaches of my bosses and seniors with on-site safety foremost in their minds, which leads to their own on-site improvements. I work hard to develop such approaches in order to create a safe and secure plant where all staff members can work in peace together.

Hiroko Morita

Safety and Health Section, Mie Plant, TB division

Message from the Japan Industrial Safety and Health Association (JISHA)



The characteristic of the safety and health activities of Yokohama Rubber is that each production site has its own well-established, unique activities tailored to individual situations, identified through personal activities including one-on-one trainings. It tends to be considered difficult to achieve results of safety and health activities in China, where the turnover rate is high, but Yokohama Rubber has certainly achieved success through their efforts in educational activities in China. We expect the well-positioned plants will lead other plants so as to raise the basic safety level. We hope that Yokohama Rubber, as a tire manufacturer, will protect human safety continuously and take initiatives focusing on "safety," to set an example worth following.

Mr. Akihisa Shirasaki

Director, Management System Audit Center, JISHA

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ISO26000 Compliance Activity Report

Yokohama Rubber's ISO26000 Compliance Activity Report

In FY 2014, the Yokohama Rubber Group identified priority issues for each group of stakeholders. In this section, we report on the priority items identified according to ISO26000^{*1} and our progress toward achieving them, as well as the data requested for disclosure.

^{*1} ISO26000 :

A set of guidelines created by the International Standards Organization (ISO) on the social responsibilities of companies and other organizations.

[Self-evaluation code] ○: Achieved or improved △: Unachieved or unchanged ×: Deteriorated

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Organizational Governance

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< Our Goals >

- Continuous improvement of corporate value and an identity that is trusted by all stakeholders^{*2}.

Accomplishments		Self-assessment
Economic performance	Allocation of economic value (non-consolidated) FY 2013...381,424 million yen FY 2014...397,087 million yen	○
Compliance ^{*3}	Training participants (non-consolidated) FY 2013...1,245 (Participation rate 93 %) FY 2014...5,788 (Participation rate 99 %) *among eligible employees	○
	Whistle-blowers (consolidated) FY 2013...27 FY 2014...31	○

^{*2} Stakeholders :

The individuals, groups and concerned interests with a stake in the activities of a company or any other organization.

^{*3} Compliance :

The act of abiding by laws, regulations, and social norms.



Human Rights

Partners

Employees

< Our Goals >

- Respecting human rights both internally and externally; no child labor or forced labor in our group or by our partners; sincerely responding to and improving complaints on human rights

Accomplishments		Self-assessment
Child labor / forced labor	Number of jobs identified as suspected child labor or forced labor FY 2013...0 (consolidated) 0 (suppliers) FY 2014...0 (consolidated) 0 (suppliers)	<input type="radio"/>
Human rights complaint management system	Official number of complaints to the system (consolidated) FY 2013...0 FY 2014...0	<input type="radio"/>



Labor Practices

Partners

Employees

< Our Goals >

- To be an organization that allows people of diverse ages, genders, and nationalities to demonstrate their maximum capabilities
- Establishing a zero-hazard culture of safety by promoting physical and mental health

Accomplishments		Self-assessment
Occupational Safety and Health	Lost worktime rate (consolidated) FY 2013...0.42 FY 2014...0.40 *per 1 million hours	<input type="radio"/>
Training and education programs	Cost for education and training (non-consolidated) FY 2013...171 million yen FY 2014...177 million yen	<input type="radio"/>
Diversity and equal opportunity	Female employment rate for main career track (singly) FY 2013...32 % FY 2014...38 % *Additional information: rate of female employees (consolidated): 12%	<input type="radio"/>

Global environment

< Our Goals >

- To make all of our products environmentally friendly
- To reduce the total amount of GHG emissions (to 50% less than 2005 levels across the value chain)^{*4}
- To promote the efficient use of water resources according to the characteristics of water risks
- To develop biodiversity conservation activities at production sites

	Accomplishments	Self-assessment
Raw materials	Total amount of raw materials used (consolidated) FY 2013...766 thousand tons FY 2014...791 thousand tons	△
Water	Water intake (consolidated) FY 2013...8,280 thousand m ³ FY 2014...8,660 thousand m ³	△
Products and services	Environmentally-friendly product rate among all of our products (consolidated) FY 2013...93% FY 2014...95%	○
Biodiversity Conservation	Implementation rate of conservation activities at production sites (consolidated) FY 2013...29% FY 2014...46%	○
Energy	Total consumption (consolidated) FY 2013...1,180,827MWh *298,937KL converted to crude oil FY 2014...1,231,611MWh *311,668KL converted to crude oil	△
Air emissions	Greenhouse gas emissions (consolidated) FY 2013... Scope1 328 thousand tons Scope2 328 thousand tons Scope3 23,301 thousand tons FY 2014... Scope1 334 thousand tons Scope2 351 thousand tons Scope3 30,844 thousand tons	△ * Due to the expansion of the scope of calculation
Environmental complaint management system	Official number of complaints to the system (consolidated) FY 2013...0 FY 2014...0	○

^{*4} Value chain :

The overall series of activities or stakeholders providing or receiving value in the form of products or services.



Fair Operating Practices

Partners

< Our Goals >

- CSR activities in collaboration with our partners

Accomplishments		Self-assessment
Environmental, human rights, and labor practices of our partners Social impact assessment	Percentage of partners that we started working with after impact assessments (consolidated) FY 2013...100 % FY 2014...100 %	○
Social impact complaint management system (partners' compliance)	Official numbers of complaints to the system (consolidated) FY 2013...0 FY 2014...0	○
Participating companies in our CSR workshops for partners	Number of participating companies / participation rate (non-consolidated) FY 2013...298 companies 90.5 % FY 2014...299 companies 90.3 % <small>*Small and medium size companies with which we have a stable amount of business</small>	○



Consumer Issues

Customers

< Our Goals >

- Achievement and maintenance of zero violations of regulations and voluntary codes concerning usage of our products and services

Accomplishments		Self-assessment
Safety and health for our customers, labeling compliance of our products and services	Number of violations of regulations or voluntary codes concerning product safety, labeling, and provision of product usage information (consolidated) FY 2013...1 FY 2014...1 <small>*There was a recall of our tires that was our responsibility, although it was not a violation of laws</small>	△



Local community

< Our Goals >

- Making contributions to local community development by communicating with the community, with a focus on the Forever Forest Project (a 500,000 tree-planting project)

Accomplishments		Self-assessment
Local communities	Community activities at production sites Implementation rates (consolidated) FY 2013...100% FY 2014...100%	○
Promotion of the Forever Forest Project	Number of trees planted in a year / number of seedlings provided (consolidated) FY 2013...39,791 / 55,635 (total 326 thousand trees, achievement rate 65%) FY 2014...43,644 / 71,404 (total 369 thousand trees, achievement rate 74%)	○
Presence in the local communities	Percentages of sites which pay salaries higher than minimum wage (consolidated) FY 2013...100 % FY 2014...100 %	○