

Yokohama Rubber Group at a Glance

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Yokohama Rubber Group at a Glance (as of December 31, 2016)

[Yokohama Rubber Group at a Glance PDF](#)

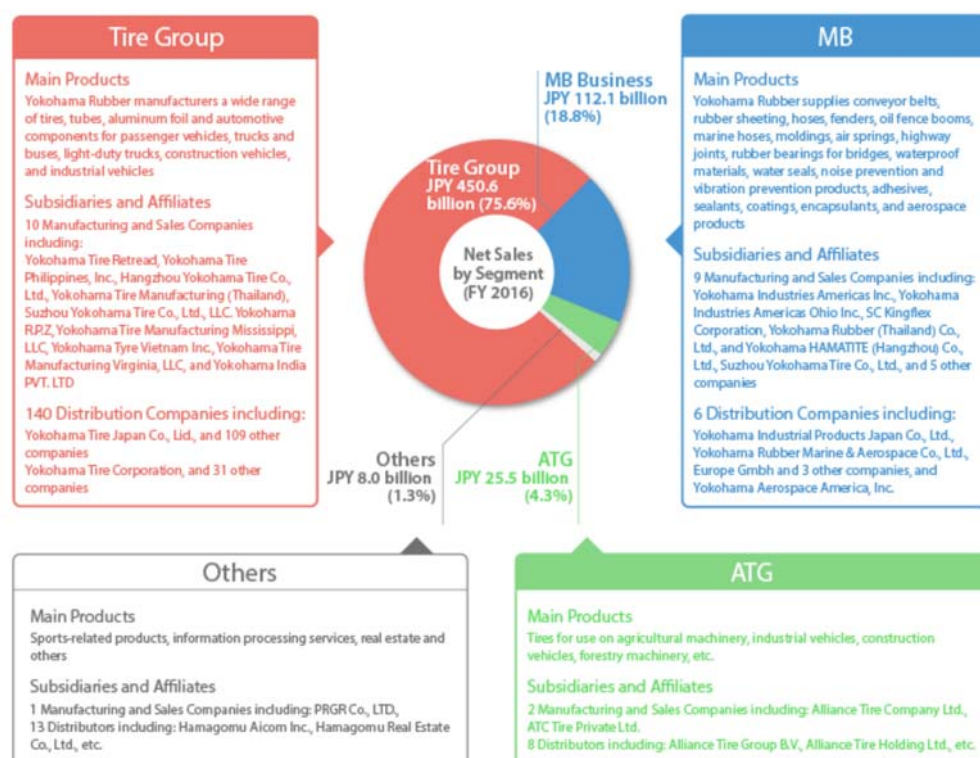
Distribution of Economic Value to Stakeholders

► [Distribution of economic value to stakeholders](#)

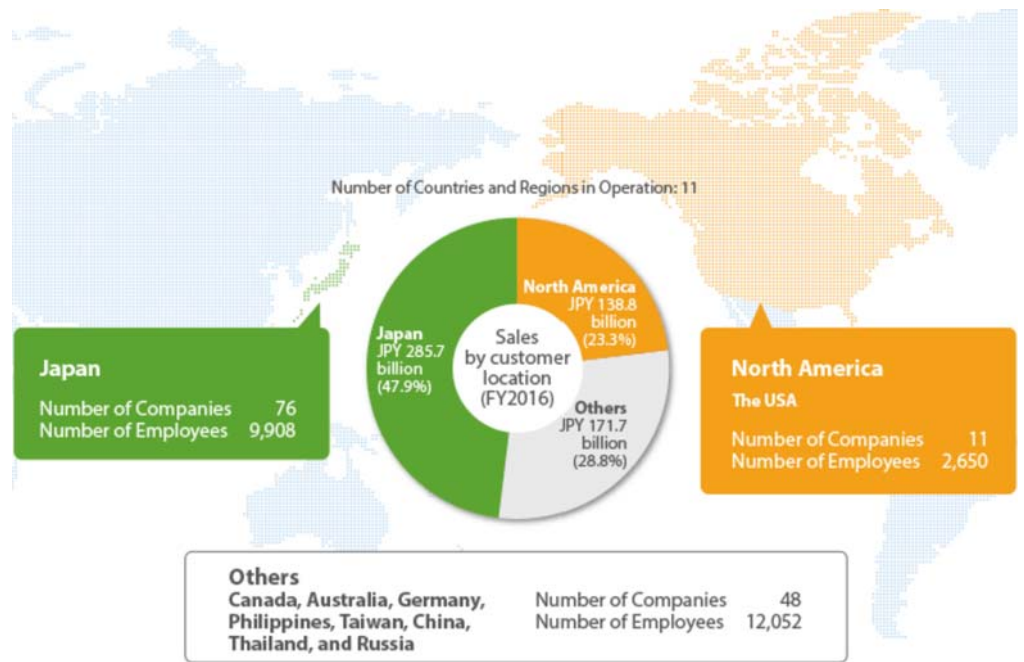
Considerable Financial Assistance Received from Government

► [Considerable financial assistance received from government](#)

Mainstay Products and Group Companies by Segment



Breakdown of Operations by Region
 Number of Companies: Consolidated Subsidiaries
 Number of Employees: Yokohama Rubber Co. and Consolidated Subsidiaries



Corporate Philosophy and CSR Management

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Corporate Philosophy and Yokohama Rubber Group's Approach to CSR

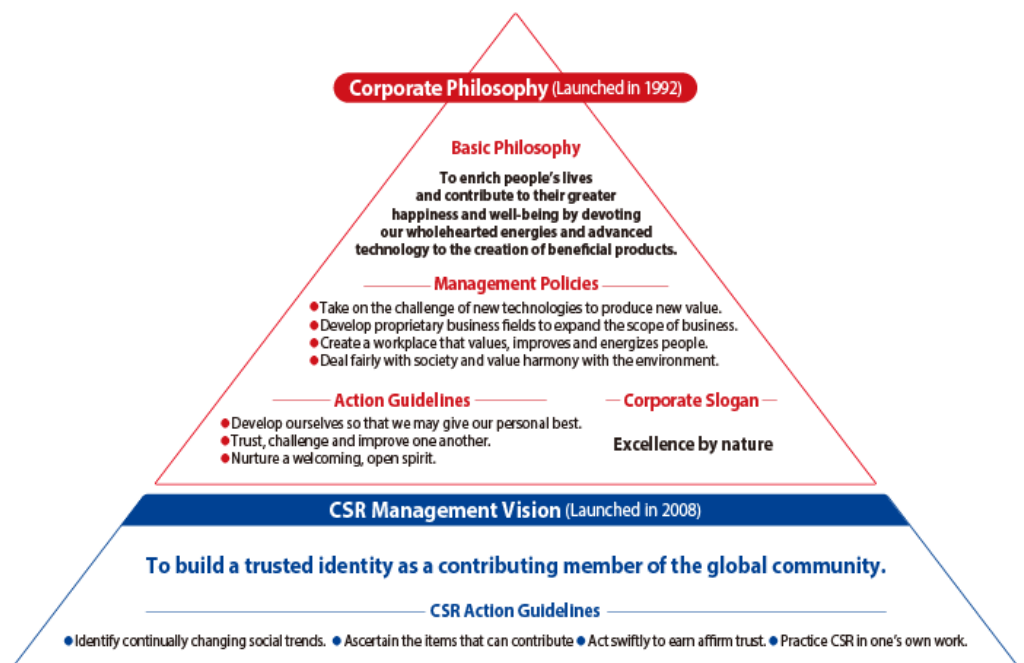
Yokohama Rubber established its corporate philosophy in 1990. It consists of the Basic Philosophy, Management Policies, Action Guidelines, and Corporate Slogan. The Basic Philosophy embodies the types of business where Yokohama Rubber commits itself in all activities. The Management Policies outline basic administrative principles for upper-level management to commit themselves to. The Action Guidelines are the code of conduct for each employee to comply with.

In 2006, we drew up a medium-term management plan, the Grand Design 100 (GD100), and set a clear target of becoming a global company with one trillion yen in net sales by FY 2017. Also, since our Basic Philosophy has been compiled based on a strong awareness of the expectations and needs arising from the international community, the plan places a strong emphasis on CSR by adopting these two basic points: to assert world-class strengths in technologies for protecting the environment, and fostering a customer-oriented corporate culture as our first priority by respecting higher standards of corporate ethics. In 2008, we reformed our corporate structure by establishing the CSR Division, followed by announcing our vision of CSR management both internally and externally. Our vision, to build a trusted identity as a contributing member of the global community, incorporates our desire to change the letter "R" in CSR to "Reliability", instead of the original "Responsibility." By doing so, we are hoping to make the concept more accessible and practical in our daily operations.

Incidentally, Yokohama Rubber still maintains the cautionary tale by Suekichi Nakagawa, who was president at the time of the inauguration of our Yokohama Plant (located in Tsurumi-ku, Yokohama City) in 1929 as our Founding Spirit. This tale comprises the balancing of both sociality and economic efficiency; it still relates strongly to today's notion of CSR management.

The Founding Spirit

1. Production business is a social service. Its purpose is to make people's lives more convenient and enjoyable. Its aim should be to offer good, useful products at moderate prices.
2. There must be a basic commitment to delivering quality products unrivaled by those of competitors.
3. Management should adhere to the principles of fairness and consideration. The mission of a fair, honest management is to ensure capital, share the fruits of endeavor with its workers, and fulfill its responsibilities to consumers to act, in other words, rationally.
4. A company should have as few employees as possible and make the best use of the productivity of machines. This is the great secret for improving efficiency.
5. The success or failure of a business depends on how much one is willing to study, and with how much determination, to mutually improve and grow. Accordingly, one must make a great effort.



Yokohama Rubber Group Action Guidelines	
1. We shall respect human rights inside and outside the company	5. We shall conduct corporate activities with a high transparency and practice proper disclosure of information
2. We shall create workplaces that are safe and healthy	6. We shall observe not only laws and regulations but also social norms
3. We shall harmonize our activities with the global environment	7. We shall aspire to harmony and prosperity with local communities
4. We shall provide safe and high-quality products and services	

Yokohama Rubber Group Action Guidelines (the entire document)

- | | | | |
|---|--|--|--|
| ■ Japanese
(126KB) PDF | ■ English
(131KB) PDF | ■ Chinese (simplified characters)
(264KB) PDF | ■ Russian
(171KB) PDF |
| | | | ■ Hindi
(224KB) PDF |
| ■ Spanish
(287KB) PDF | ■ Thai
(2,224KB) PDF | ■ Vietnamese
(191KB) PDF | |

Grand Design 100 (GD100) Medium-term Management Plan	GD100 and Our Approach to the Environment
<p>GD100 Vision and Basic Policy To mark the Yokohama Centennial in FY2017, we will evoke a distinctive global identity in building corporate value and in building a strong market presence.</p> <p>Long-Term Financial Targets (FY2017) Net sales: ¥770 billion, operating income: ¥80 billion, operating margin: 10.4%</p> <p>Basic Policy Deliver the best products at competitive prices and on time. Assert world-class strengths in technologies for protecting the environment. Foster a customer-oriented corporate culture that honors rigorous standards of corporate ethics.</p> <p><small>Updated in 2015</small></p>	<p>Basic Policy Following the principle of dealing fairly with society and valuing harmony with the environment, we shall assert our world-class strengths in technologies for protecting the environment.</p> <ul style="list-style-type: none"> Continued improvement of environmental management. Action to combat global warming. Contributing to the creation of a sustainable recycling society. <p><small>Established in 2006</small></p>

Yokohama Rubber Group is committed to the Ten principles of the UN Global Compact and carries out the Plan-Do-Check-Act (PDCA) cycle following the framework of ISO 26000.

The Ten Principles of the UN Global Compact		ISO26000 Seven Core Subjects
Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	Environment Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	<ol style="list-style-type: none"> 1 Organizational governance 2 Human rights 3 Labor practices 4 The environment 5 Fair operating practices 6 Consumer issues 7 Community involvement and development
Labor Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.	Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	

[Global Compact Network Japan](#)

Medium-range Management Plan, the Grand Design 100 (GD100)

▶ [GD100 Medium-range Management Plan](#)

GD100

We are promoting CSR and environmental management by integrating environmental aspects and social aspects into GD100.

▶ [GD100](#)

Our Stakeholders

We have summarized the important issues for the Yokohama Rubber Group as the value provided to each stakeholder.

▶ [Value provided to stakeholders](#)

CSR and Environmental Promotion Framework

▶ [CSR and Environmental Promotion Framework](#)

CSR and Environmental Mid- to Long-Term Action Plans

The Yokohama Rubber Group sets medium to long-term targets and single year targets for each issue in line with the core issues of ISO26000, and conducts PDCA management on these issues.

[ISO26000 Activity Report \(67KB\)](#)

Yokohama Rubber Group Competition Law Compliance Policy and Anti-corruption Policy

In accordance with the Yokohama Rubber Group Action Guidelines, we implement employee education to ensure that employees are familiar with and comply with these Policies, and we also implement related management and supervision.

[Competition Law Compliance Policy \(formulated in July 2017\)\(134KB\)](#)

[Anti-corruption Policy \(formulated in July 2017\)\(137KB\)](#)

Participation in Initiatives in Japan and Overseas

Japan Association for the World Food Programme

We endorse the World Food Programme (WFP) in undertaking to eradicate hunger and poverty and support the activities of the WFP as a trustee.

| Fun to Share Campaign

We provided sponsorship for the Challenge 25 Campaign (a global warming prevention campaign fostering involvement by ordinary citizens) which was launched on January 14, 2010, and we participated in the Challenge 25 Campaign activities. Following the termination of the Challenge 25 Campaign, since 2014 we have been supporting the new Fun to Share Campaign, which is aimed at achieving a low-carbon society in response to climate change. We have also registered as a participating company and organization and made a declaration on the content of the initiatives.

〈Yokohama Rubber Co., Ltd.〉

Achieving a low-carbon society through fuel-efficient tires and environmental contribution products and activities.

| “Declaration of Biodiversity by Keidanren” -Promotion Partners

We have been in accordance with the idea of “Declaration of Biodiversity by Keidanren” and their promotion partners since 2009 to develop various approaches for the preservation of biodiversity. Basic policies and action guidelines have been set forth as “Yokohama Rubber’s Guidelines on Biodiversity.”

| Keidanren’s Commitment to a Low Carbon Society

We are in accordance with, and participate in various activities for Keidanren’s Commitment to a Low Carbon Society under the vision of “Japanese industries playing a role as core functions with their technological strength in order to achieve our target which is to halve the greenhouse gas emission of the world in 2050.”

| WBCSD (World Business Council for Sustainable Development)

WBCSD refers to an uni-fied association that consists of top executives from global corporations in order to perform their leadership in their industry, have lively discussion, and propose policies with regards to the environment and sustainable development. We are participating in the Tire Industry Project, which involves conducting surveys pertaining to the possible impact of tires on the environment and health, and promoting various activities to save energy in buildings and offices.



Determining Important Issues

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The Global Reporting Initiative (GRI), an international non-government organization (NGO) that develops and disseminates globally applicable "Sustainability Reporting Guidelines", released the revised Version 4 of its GRI Guidelines (G4) in May of 2013. The content of G4 has shifted away from the "exhaustive disclosure of information" demanded previously. Instead, it demands the "disclosure of information that focuses on important issues (material aspects)". By deeper involvement of management in CSR activities, this development aims to have business proactively possess opinions, and for the content of information reported in CSR reports to be fixed. Because GRI shall demand the preparation of G4 rather than G3 reports from 2016 onwards, Yokohama Rubber is advancing preparations in accordance with the following steps so as to prepare for G4 reporting.

With respect to the "important issues (materiality)" determined for this company, it is planned that such shall be reported upon both on the CSR Web.

STEP1 G4 Gap Analysis

Focus was placed upon the G4 demands with respect to current information disclosure levels (CSR Report 2013). The current situation was grasped vis--vis the content and processes of both responsive and unresponsive items. (conducted January 2014)

4段階評価: ① 理解および開示が十分	② 理解および開示が適量レベル	③ 理解および開示が不十分	④ 開示なし
項目	評価	評価理由	改善点
① 環境	②	環境に関する開示は、GRI 101-102の要求事項を満たしているが、GRI 103-104の要求事項を満たしていない。GRI 103-104の要求事項は、環境に関する開示の透明性を高めるための重要な要素である。	GRI 103-104の要求事項を満たすための開示を強化する。
② 社会	③	社会に関する開示は、GRI 201-202の要求事項を満たしているが、GRI 203-204の要求事項を満たしていない。GRI 203-204の要求事項は、社会に関する開示の透明性を高めるための重要な要素である。	GRI 203-204の要求事項を満たすための開示を強化する。
③ 経済	④	経済に関する開示は、GRI 301-302の要求事項を満たしていない。GRI 301-302の要求事項は、経済に関する開示の透明性を高めるための重要な要素である。	GRI 301-302の要求事項を満たすための開示を強化する。

STEP2 Issues Assigning G4 Gap Analysis Priority

Analysis was conducted in accordance with this company's industries, business sectors and business regions. After completion of this analysis, the G4 gap analysis priority was assigned vis--vis those issues identified through discussions with related business units. (conducted January – February, 2014)

Sample Evaluation

The "Supplier Environmental Evaluation" Aspect: For Yokohama Rubber, a company that procures natural rubber as a raw material, there is the necessity to consider that hidden human rights risks might exist within the upper reaches of supplier chains extending beyond its scope. Moreover, if wide-ranging business activities conducted in numerous regions encompassing both developed and developing nations are considered, such risks might be easily exposed. Through coordination in-house with the parties responsible for such matters, "human rights risk" was evaluated as being "a very important aspect" for Yokohama Rubber.

STEP3 Assigning an External Perspective G4 Gap Analysis Priority

Interview research was conducted among five stakeholders. From the perspective of what each of these individuals considered to be important issues (material aspects), a gap analysis priority was assigned based upon the research results. (conducted February – March, 2014, titles are for that period)



Ms. Mariko Kawaguchi

Chief Researcher Research Division, Daiwa Institute of Research Ltd.

Ms. Kawaguchi has advised countless corporations on how to achieve a sustainable society from the perspective of corporate social responsibilities (CSR) and socially responsible investments (SRI).

I would like to draw attention to anti-corruption, in addition to those other important issues of human rights, diversity, equal pay, complaint processing systems, and the protection of customer's privacy. There is no dedicated government ministry in Japan that covers anti-corruption matters, and other countries pay much more attention to the issue of anti-corruption than we do in Japan. The UN Global Compact even has an independent provision on the issue. With globalization advancing today anti-corruption has become an even more important issue, and companies need to have a clear policy on anti-corruption and response measures in place.



Mr. Kenichi Kumagai

Member of the Editorial and Planning Committee,
The Japan Association for Advancement of ILO Activities

Member of the International Drafting Committee Mr. Kumagai is actively involved in domestic and international deliberations on ISO26000 through its involvement as member of various committees. He is also a member of the Japan Labor Law Association.

Today, companies need to understand what parts of occupational safety and health and labor relations that society as a whole has an interest in and disclose information as necessary. For example, there is a strong interest in mental health initiatives among all companies. By disclosing that labor-management consultations have been carried out continuously, Yokohama Rubber will be able to correctly convey that it respects the rights of workers when expanding overseas. Additionally, the proactive appointment of female board members will be essential as Yokohama Rubber steps up its global expansion in the future.



Ms. Kaori Kuroda

Executive Director CSO Network Japan

Ms. Kuroda is an expert in community involvement and development. She established a regional forum with farmers and other community members in Fukushima Prefecture that is broadening exchange with other parts of Asia.

Today, a company should integrate social responsibility throughout the company and practice it in its value chain. For example, in areas that produce raw materials, such as rubber plantations, a company needs to pay a great deal of attention to human rights risks it may be susceptible to. A company must also convey that it has established a proper grievance mechanism for its own use and of its stakeholders. A company must be much more sensitive about human rights issues when expanding its operation globally.



Mr. Masao Seki

Associate Professor, School of Business Administration, Meiji University Senior Adviser on CSR, Sampo Japan Insurance Inc.

Mr. Seki was involved in the creation of ISO26000 as a representative of Japanese business. He also participates in various discussions on the topic of sustainable development at various international conferences.

An important perspective to keep in mind when expanding business operations into various regions is the extent to which the company contributes to local employment. Contributions to employment represent a topic of strong interest both in Japan and abroad and companies should be well aware of this. Additionally, educating consumers about sustainable consumption is another topic that must be remembered when aiming to realize a sustainable society. For example, Yokohama Rubber should tackle the challenge of communicating enhancements in its brand by appealing to consumers about its consideration of ecosystems and other matters.



Mr. Keisuke Takegahara

General Manager Environmental Initiative & Corporate Social Responsibility Support Department Development Bank of Japan Inc.

Mr. Takegahara lived in Frankfurt, Germany for a total of six years and is known as one of Japan's foremost experts in environmental finance, having developed the Development Bank of Japan's environmental loan rating system.

In identifying important issues, a company needs to consider not only the unique characteristics of its location, but also the time frame. For example, a company may be aware of the regional risks and in control of these risks at the present time, but once the weight of emerging markets increases over the medium to long term, the risks that are currently under control could grow into much larger ones. In that sense, I would like Yokohama Rubber to get the message out about both its current issues and management reporting as well as its medium- to long-term vision and awareness of issues.

STEP4 Determining Important Issues (Materiality)



Important issues were determined for FY2014 based on the degree of importance analysis, research, and discussions conducted in Steps 2 and 3.

The important issues (materiality) determined are as follows.

We will focus on specific items among these and establish them as KPI as we work towards ongoing improvements by implementing the PDCA cycle.

Global environment	We challenge to build a sustainable society in harmony with the environment, to protect our blue planet and human beings.	<ul style="list-style-type: none"> ■ Materials ■ Energy ■ Water ■ Biodiversity ■ Emissions ■ Products and services ■ Environmental grievance mechanisms
Customers	We supply safe and secure products through manufacturing focused on the heart and technology.	<ul style="list-style-type: none"> ■ Customer health and safety ■ Product and service labeling ■ Marketing communications ■ Compliance (Product liability)
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.	<ul style="list-style-type: none"> ■ Market presence ■ Local communities ■ Grievance mechanisms for impacts on society
Employees	We value and develop our people, and create opportunities for people.	<ul style="list-style-type: none"> ■ Occupational health and safety ■ Training and education ■ Diversity and equal opportunities ■ Human rights grievance mechanisms
Shareholders and investors	We improve our company value by growing business opportunities.	<ul style="list-style-type: none"> ■ Economic performance
Business partners and suppliers	We promote CSR activities throughout the value chain.	<ul style="list-style-type: none"> ■ Supplier human rights assessment ■ Supplier assessment for impacts on society ■ Supplier environmental assessment ■ Supplier assessment for labor practices ■ Child labor ■ Forced or compulsory labor



Mr. Hiroki Uchida, Senior Researcher, Cre-en Incorporated

We have supported Steps 1 through 4 from in preparation for G4 support. While we will implement management in line with self-set KPIs going forward, we hope to achieve certain spiraling up through the PDCA cycle and continue well-balanced CSR initiatives without becoming overly satisfied with what has been achieved. In doing so, we would like to create examples of initiatives unique to Yokohama Rubber in the areas selected for materiality through cross-company management and communicate these cases through information disclosure. In addition, by also continuing the initiatives up until now while conducting timely information disclosure in the areas selected for materiality, we aim to steadily improve the level of activities overall.