

Yokohama Tire Manufacturing Virginia, LLC (YTMV)

Business activities

Production of tires for passenger cars and light trucks

Total site area

243,000m²

Number of employees

745 (as of January 1, 2019)

Location

1500 Indiana Street, Salem, VA 24153

Contact for consultation and complaints

+1-800-433-9851 (Toll free number, available only in the United States)

Director, EHS. Neil Dalton

e-mail: Neil.Dalton@yokohamatire.com



Message from the President



Tetsuro Murakami

Yokohama Tire Manufacturing Virginia (YTMV) continues to build CSR foundations that can win people's trust, aiming to proactively make a positive contribution not only to the local community, but globally as well.

To that end, following the standards prescribed in ISO 14001:2015, and in line with the CSR policy that forms a key aspect of Yokohama Rubber's basic philosophy, YTMV are implementing ongoing improvement in order to maintain its position as an important production facility within the North American region. We are committed to ensuring the safety of all the people who work in or live near our plant as well as safeguarding their environment.

This company is focused on being a sustainable business, and we are promoting measures to reduce our energy consumption, to minimize the amount of any waste that we generate, and ensure our full compliance with all municipal, state and federal regulations.

We aim to achieve harmony between our operations and the environment, and to contribute to the building of a sustainable society. We think implementing both of these represents our goal and our responsibility.

In the future, while working to safeguard the environment and natural resources in line with Yokohama Rubber's basic philosophy, we will also be working to put in place the sustainable foundations needed to support the growth of our business and its products.

Organizational Governance

For fiscal 2018 as well, the slogan of our action plan is "Smart Goal" which puts into practice the PDCA Cycle. We shall continue to place an emphasis on communication and teamwork, and conduct initiatives that are aimed at achieving targets as has been the case up until now.

In 2019, we shall focus on strengthening a range of company activities, and place importance on working to minimize any impact on the environment thus both contribute to the protection of the global environment and to promote human happiness.



Policies for fiscal 2018

Human Rights

All employees receive education and training on the Yokohama Rubber Action Guidelines that stipulate the protection of human rights in order to prevent unethical behavior and harassment.

Computer Based Learning Lessons (CB2L's) are used to this end.

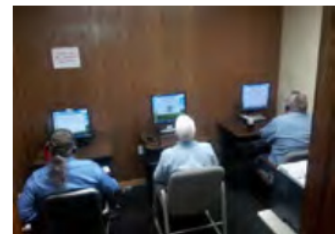
Lessons are composed of multiple slides that consist of mini quizzes that explain the policy, and a test on the level of understanding is conducted at the end of each session.

All employees are required to pass tests with a score of 80 or higher.

YTMV maintains an "open door" policy with respect to all employees.

Internal complaint handling procedures have been established and made as easy to use as possible; where employees feel that they have been treated unfairly in the workplace, we provide opportunities for them to raise their concerns and have them resolved.

In addition, we have reached agreement with our union regarding employment contracts that are free from discrimination with respect to the issues of race, religion, skin color, gender, age, and nationality, as stipulated in both state and federal law.



Computer based learning lessons

Labor Practices

Equal employment opportunity

YTMV is committed to providing equal employment opportunities for people who are interested in working for the company. We implement an equal employment opportunity (EEO) policy with respect to all terms and conditions of employment.

In 2018, the Human Resources Department organized training by interview for all managers and employees regarding employment in accordance with the requirements of employment legislation.

The training addressed issues including the areas to which equal opportunity legislation applies (including race, gender, religious beliefs, age, etc.), as well as physical and mental disability, and the utilization of company provided accommodation, etc. The training was successful in strengthening employees' understanding of such issues.

We will listen to employees' views regarding ideas for improving employment interviews, to strengthen the relationship between the company and its employees.

Safety and health

Our Safety Management Department has clarified that protecting the health and safety of employees is its top priority again for fiscal 2018, and it conducts its activities based on that priority. That is reflected in active initiatives that include weekly risk assessments, meetings with department administrators, and many audit programs.

- New hire training and regular follow up sessions
- Training during workplace transfers
- Training of external contractors
- Emergency contact training for use during incidents
- Emergency transport training for use during incidents
- PIT (vehicle) training
- Lockout/Tag out training
- Thirty-hour OSHA mandated training
- Environmental management training
- Everyday kiken yochi (KY) and training upon the commencement of operations.

In addition to the types of education and training mentioned, concerning both YTMV's business units and all the various processes in which they engage, we are always promoting improvements with respect to our equipment and facilities, all of which have been equipped with protective and safety devices. Concerning the personal protective equipment that is issued to all employees, it is always kept in a ready state so that it can be used immediately. Additionally, both its wearing and usage is actively promoted and managed. Whereby accidents occur, thorough investigations are conducted, and various forms of response are suggested and then executed, with subsequent follow-ups also undertaken.

More than anything else, it is important to us that our employees are able to return home safely after completing their work.

Emergency response

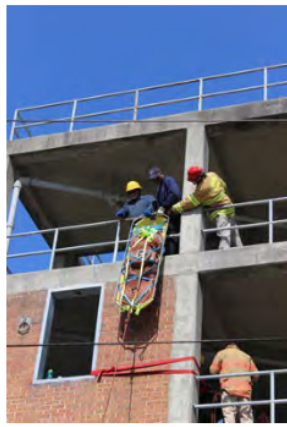
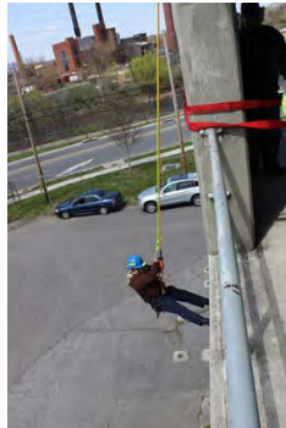
Emergency response vehicles are available 24 hours a day in order to respond to various medical emergencies that may occur in the workplace. The company has also organized a highly-skilled emergency rescue team with 24 team members, who have received training in order to be able to respond to a variety of situations including rescues from narrow spaces and heights. We conduct regular drills for responding to fires and emergencies as part of raising awareness among all employees. Below are photos of emergency response drills in 2018.



Fire hose drills



Fire drills



Various types of annual drills for emergencies

The Environment

Water-based tire repair coating materials

A water-based coating material was approved in December 2017, and it was used in production throughout 2018 on an ongoing basis. YTMV is the first production facility in the YRC Group to adopt a water-based tire repair coating material in its production activities. The project provided an ideal opportunity for the horizontal rollout of the new technology throughout the YRC Group.



YOKOHAMA Forever Forest Project

In 2017, YTMV concluded its onsite Forever Forest Project activities (those taking place within the grounds of the company). In 2019, in collaboration with the Forestry Bureau, it is planned that the company shall offer sapling donations to those local areas that require them for planting.



Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		1,765	1,604	1,332	1,307	1,509
Proportion sent to landfill (%)		2.6	1.4	0.0	0.0	0.0
Landfill waste (t)		46	23	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	20,124	19,025	16,790	16,728	16,776
	Fuel	10,340	9,792	8,783	8,915	9,109
	Total	30,464	28,817	25,574	25,643	25,885
Greenhouse gas emissions (1,000t-CO ₂)		63.7	60.3	53.5	49.1	49.5
Water usage (1,000m ³)		165	143	131.7	135.8	140.5

※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. The calculation of emissions from overseas business locations since FY2015 has been based on the Greenhouse Gas Protocol Initiative.

Wastewater management

The company thoroughly enforces wastewater management, and it has been in compliance with legal standards for seven consecutive years.

On the basis of that achievement, YTMV received plaudits from the Western Virginia Water Authority and secured a Platinum Award in the Virginia Water Environment Association's Industrial Waste and Pretreatment Environmental Excellence Awards.



Sampling equipment purchased for voluntary sampling

Biodiversity conservation activities

With the aim of improving our biodiversity activities and making a positive contribution toward the ecosystems and the environment in the vicinity of the plant, our company launched two biodiversity protection projects in 2015, and continued to implement these activities in 2018.



Bluebird conservation activities

The Virginia Bluebird Society was established in 1996. Its purpose is to provide habitat for bluebirds to raise their young and to limit the decline of the species.

The company has participated in these activities since the third quarter of 2015.



Observing birdhouses

River water quality monitoring program

YTMV monitors the water quality of the Roanoke River that flows downstream from the company, and gathers data on 2-4 times a year. By working together with the state of Virginia in these activities and providing information on the soundness of local river ecosystems, it is possible to take the measures necessary for restoring waterways in Virginia.

Surveys are conducted on a quarterly basis by a monitoring team at specified areas of the Roanoke River that consist of stretches of about one mile where the company could potentially have an impact on the water quality of the Roanoke River.



Water quality survey

Environmental measures

Environmental Excellence Platinum Award

On March 7, 2018, YTMV received a Platinum Award in the Virginia Water Environment Association's Industrial Waste and Pretreatment Environmental Excellence Awards, for having maintained compliance with all pollution prevention, waste reduction, and operating permit requirements for seven consecutive years; YTMV was nominated for the Award by the City of Salem in Roanoke, Virginia, and by the Western Virginia Water Authority.



Virginia Environmental Excellence Program (VEEP)

The Virginia Environmental Excellence Program (VEEP) is a program launched by the Commonwealth of Virginia (the Virginia state government) to encourage facilities located within Virginia to make environmental improvements that go beyond the minimum statutory requirements. In the fourth quarter of 2017, YTMV's VEEP status was upgraded to E4 (Extraordinary Environmental Enterprise), the highest level that a business enterprise can attain under VEEP. The benefits of having E4 status include an enhanced profile within the local community, reduced handling charges for special permits, and regulatory incentives, etc.

Throughout 2018, and into 2019 as well, YMTV has been able to maintain its E4 status within the VEEP Program.

| Fair Operating Practices

Chemical substance management

All materials used within the plant are in compliance with Yokohama Rubber's list of prohibited chemical substances and in line with the Green Procurement Guidelines.

Safety data sheets (SDS) are continuously maintained for each material; and updated using the web system (Sitehawk).

| Consumer Issues

Customer visits

The company has systems fully in place to welcome visits from customers at any time.

Community Involvement and Development

Community interaction and volunteering activities

Blue Ridge Kite Festival of the Salem-Roanoke County Chamber of Commerce

On April 14, 2018, YTMV participated in the Blue Ridge Kite Festival organized by the Salem-Roanoke County Chamber of Commerce. More than 10,000 people attended the event, which provided a marvelous opportunity for spreading awareness regarding Yokohama Tire Manufacturing Virginia.



Regional donations

During fiscal 2018 as well, the company and its employees continued to make donations to local charities and organizations.

Apple Ridge Farm

(which supports underprivileged children)



United Way

(which supports education, households, healthcare and the environment in the Roanoke region)



American Red Cross

(support for areas affected by hurricane damage)



Yokohama Industries Americas Inc. (YIA)

Business activities

Production and sale of hose assemblies for auto air-conditioners, power steering units and transmission oil coolers, and adhesives products

Total site area

YIA Inc. (DIV.1, DIV.2) 100,000m²

YIA South Carolina LLC. (DIV.3) 78,510m²

YIA Ohio Inc. (DIV.5) 73,700m²

YIA Mexico (DIV.6) 4,600m²



Number of employees

1,326 (as of June 2019)

Location

Versailles Plant 105 Industry Drive, Versailles, KY 40383, U.S.A.

Contact for consultation and complaints

Tel: +1-859-879-2812 Fax: +1-859-873-8943

E-mail: tracy.hartley@yokohamaia.com

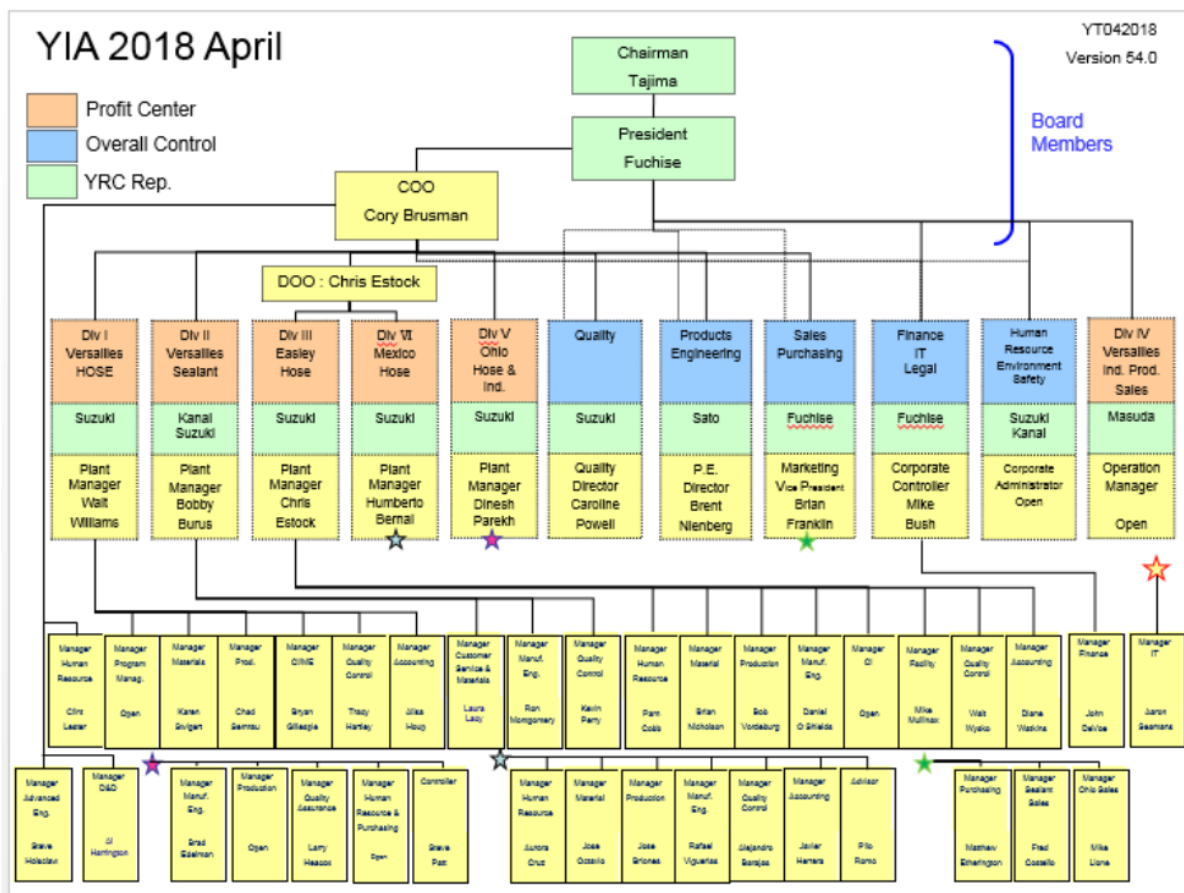
Message from the Chief Operating Officer



Cory Brusman

Since its incorporation in the Bluegrass region of Kentucky, a world famous breeding ground for thoroughbreds, we set our environmental policy as aiming to build up a wonderful environmentally-friendly society together with people in local communities, and we aim at being a corporation that makes a positive contribution to the environment and is trusted by residents in the region. Under this environmental policy, we carry out management of the production process and materials used, and education and instruction of employees, striving to reduce the environmental impact generated by production activities. Here, we introduce "EARTH," the slogan that embodies our efforts:

Environmental Excellences Achieved and Realized Through Heightened Awareness.



Human Rights

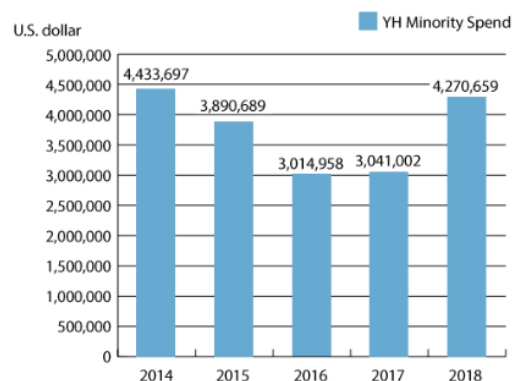
Measures for respecting human rights

YIA clearly states that it complies with federal and state laws related to human rights, and race, religion, gender, age, nationality and disability shall not affect employment opportunities at the company. This is thoroughly observed not only at the time of employment of a new employee but also in all employment activities of YIA such as promotion, relocation, wages, layoff and dismissal.

Promotion of opportunities for transactions with companies managed by minorities

YIA regularly participates in exhibitions sponsored by related organizations in order to identify opportunities for transactions with companies managed by minorities (i.e. ethnic minorities, including African-Americans and Hispanics). Given that we are a company that handles production materials, opportunities for transactions with companies managed by minorities who are socially underprivileged are limited; nevertheless, we are consistently undertaking activities aimed at identifying opportunities for such transactions; for example, we are currently conducting transactions with carriers and repair parts suppliers.

YIA Minority Spend



Labor Practices

Occupational safety and health

YIA places a high priority on a safe workplace environment, and invites experts from outside to participate in Safety, Health and Wellness Activities; we also implement various support programs so that we can give more effective, objective advice.

Major Activities

1. Physical Therapy(activities for prevention of injuries using physical therapy)
2. Method to Stop Smoking(stop smoking program directed by a medical specialist)
3. Weight Watchers(diet promotion activities directed by a nutritionist)

Responses to in case of disaster

YIA has organized a team for responding to emergencies which is called the "Emergency Response Team (ERT)." This team was organized with the main duty of confirming the safety of employees, including directing the movement of people in the case of actual disasters and during fire alarm drills. The ERT team members have received training in first aid, emergency resuscitation methods, and responding to blood infection diseases. We also provide training relating to the outflow of chemicals, fire, blackouts and explosion risks.

Education and training for employees

Education and training for employees of YIA are provided at several different stages. Education at the time of recruitment is mainly provided in the form of lectures, with employees acquiring knowledge of safety and health, work rules, welfare, quality and ISO, and also the basic items of TS 16949. This education is structured so that field workers can develop an overview of the entire production system of products manufactured by YIA and recognize the importance of the workplace to which each worker is assigned. Further, we provide internal and external educational programs throughout the year, and improve them so that employees can utilize the acquired knowledge in daily production activities.

The Environment

Environmental management

We have made efforts to raise awareness of the environment and improve results through the ISO 14001 Environmental Management System. As a result, significant steps forward have been made in terms of heightening employee awareness, and the following results have been achieved.

1. We held environmental meetings every month to urge follow-ups and promotion of the implementation plan; this has produced significant results.
2. We have strengthened the promotion of the recycling program and promoted collection and reuse of steel, aluminum, plastics, wood chips, paper, carton boxes, batteries and printer cartridges, etc.
3. We have been promoting the reinforcement of the use of environmentally-friendly "green" products.
4. Since 2017, we have succeeded in meeting our target of reducing the amount of waste sent to landfill to zero; measures to promote recycling and establish other methods of waste disposal as alternatives to landfill have been implemented throughout YIA.

YIA DIV.1 (Under the Hose Business Department) Environmental Data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		498	282	262	196	193
Proportion sent to landfill (%)		13.5	25.5	17.1	9.1	0.0
Landfill waste (t)		67	72	45	18	0.0
Energy use (oil equivalent: kl)	Electric power	2,205	2,075	1,907	2,004	2,150
	Fuel	182	161	133	102	79
	Total	2,387	2,236	2,040	2,106	2,229
Greenhouse gas emissions (1,000t-CO ₂)		5.2	4.9	4.5	5.2	5.5
Water usage (1,000m ³)		21.3	20.2	19.2	17.7	25.3

※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. Since 2016, they were calculated based on the Greenhouse Gas Protocol Initiative.

YIA DIV.2 (Under the Adhesives and Sealants Business Department) Environmental Data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		152	210	164	164	127
Proportion sent to landfill (%)		71.7	76.2	70.7	51.8	0.0
Landfill waste (t)		109	160	116	85	0.0
Energy use (oil equivalent: kl)	Electric power	978	991	980	1,012	1,042
	Fuel	394	377	388	374	320
	Total	1,372	1,368	1,367	1,386	1,362
Greenhouse gas emissions (1,000t-CO ₂)		2.9	2.9	2.9	3.2	3.2
Water usage (1,000m ³)		11.2	15.3	10.0	10.0	10.2

※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. Since 2016, they were calculated based on the Greenhouse Gas Protocol Initiative.

YIA DIV.3 (Under the Hose Business Department) Environmental Data

項 目		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		246	151	265	423	361
Proportion sent to landfill (%)		85.0	13.2	11.3	4.0	0.0
Landfill waste (t)		209	117	117	17	0.0
Energy use (oil equivalent: kl)	Electric power	1,408	1,405	1,317	1,134	1,093
	Fuel	99	98	116	165	104
	Total	1,513	1,503	1,433	1,299	1,197
Greenhouse gas emissions (1,000t-CO ₂)		3.3	3.3	3.1	2.5	2.3
Water usage (1,000m ³)		6.3	5.6	6.8	3.2	4.4

※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. Since 2016, they were calculated based on the Greenhouse Gas Protocol Initiative.

YIA DIV.5 (Under the Hose Business Department) Environmental Data

項 目		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		152	114	177	176	187
Proportion sent to landfill (%)		28.0	28.0	33.0	11.4	0.0
Landfill waste (t)		43	32	58	20	0.0
Energy use (oil equivalent: kl)	Electric power	893	883	700	912	918
	Fuel	494	411	306	339	426
	Total	1,387	1,294	1,006	1,251	1,344
Greenhouse gas emissions (1,000t-CO ₂)		2.9	2.7	2.1	2.6	3.5
Water usage (1,000m ³)		9.0	11.9	9.7	12.0	10.4

※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. Since 2016, they were calculated based on the Greenhouse Gas Protocol Initiative.

Fair Operating Practices

Corruption prevention

YIA established a code of conduct containing 23 items, which is included in the Employee Manual. In the item regarding conflict of interest, acts conflicting with the interests of interested parties, including YIA and customers are prohibited during the employment period. Presenting and receiving gifts with a value of more than US\$25 to or from companies with which YIA has business relationships, such as competitors and customers, are completely prohibited.

Community Involvement and Development

Each production location undertakes activities to make donations to support events organized by the local community.

Angel Tree event (Christmas present donation)

Relay for Life - \$5,000

Painesville (OH) Community Development - \$500

Ohio Crime Prevention Assoc. - \$100

City of Painesville (OH) Office of Economic Development - \$300

Ohio Association of Chiefs of Police - \$100

Etc.



Donation made to a local softball team



Yokohama Aerospace America, Inc. (YAA)

Business activities

Sales of components for aircraft parts, and purchase of components

Total site area

2,362 m²

Number of employees

16 (as of March 2019)

Location

22223 68th Avenue, South Kent, WA 98032 USA.

Contact for consultation and complaints

Administrator Tel: +1-253-395-0123 Fax: +1-253-893-0170

E-mail: asuka.ohara@yokohama-aero.com



Message from the President



Tetsuzo Yoshida

Yokohama Aerospace America, Inc. was established in 2001. The company sells spare parts and conducts delivery support for bathroom units (lavatory modules) and water tanks that are delivered by Yokohama Rubber for installation into Boeing-manufactured 737 and 757 series passenger aircraft. We also procure parts and materials in response to procurement requests received from the Aerospace Parts Division of Yokohama Rubber.

Furthermore, as the company is certified by the Federal Aviation Administration (FAA) of the United States, we engage in the sale of spare parts to airline companies both in the US and around the world.

Following the environmental policy of Yokohama Rubber and maintaining awareness of environmental challenges, we engage in sales of environmentally friendly products, of which lightweight aircraft bathroom units are a representative example.

Organizational Governance

Ingraining the Code of Conduct

Within the Employee Handbook, the Code of Conduct is stipulated as Yokohama's Philosophy. Furthermore, when new hires join the company, or when the Handbook undergoes revision, we take steps to ensure that employees confirm the content.

Concerning the duty of confidentiality, in addition to what is set out in the Handbook, in fiscal 2014 we took steps to strengthen the situation through the conclusion of Employee Confidentiality Agreements with employees. Starting from 2016, when new hires join the company, Employee Confidentiality Agreements are concluded with each one of them.

Human Rights

Human rights policy

We provide employee education, using the "Harassment Free Regulations" noted in the company regulations. The main content of this education is prohibiting discrimination based on race, ethnicity, religion, gender, nationality or marital status.

In addition, with regard to harassment, starting from 2016 we have been implementing regular in-house employee education based on Yokohama Rubber's own education and training materials.

Labor Practices

The human resources manager attends state-run seminars on "drug and alcohol surveillance" each year. In accordance with federal and state law, once each year (or when there is a revision of the applicable laws), we fulfill our statutory duty by notifying employees and displaying the following information in the workplace.

- A. Emergency Plans (responses in cases of disaster)
- B. Safety Rules and Injury Reports (internal safety rules)
- C. Employees' Rights (laws related to the rights of employees)
- D. Discrimination Laws (revision of laws related to racial discrimination, etc.)

Safe and healthy work environment

Proper management of dangerous substances, machinery and equipment, etc., is regularly conducted. Furthermore, a program of checks and onsite inspections is conducted by the Kent City Fire Department (this involves the disposition of warehouses, sprinklers, fire extinguishers, the disposition of dangerous substances and various electrical sources, etc.). Training content includes ensuring that employees are familiar with safe evacuation routes; before implementing non-regular operations such as inventory-taking, etc., we check that employees are aware of the importance of "KY" hazard prediction.

The Environment

Environmental guidelines

1. We strive to identify the impacts of our business on the environment, and make efforts to improve environmental conservation.
2. We comply with environment related laws and statutes.
3. We make efforts to plan and sell aircraft products while aiming at reduction of the environmental impact.
4. We make efforts directed at energy savings, resource savings, recycling and reduction of waste.

Recent measures

We have made changes to the packaging materials that we use, switching over from tailor-made boxes for packaging purposes to ordinary, commercially available packaging materials that are easier to recycle.

Fair Operating Practices

Corruption prevention

Entertaining public officials and engaging in the exchange of gifts with them is prohibited. We have recorded no such violations in the past.

Communication with business partners

The assessment documents that we forward to business partners include items that allow requests or opinions to be noted.

Consumer Issues

Communication with customers

Starting with Boeing who is one of our customers, we visit airline companies worldwide in order to both understand their satisfaction with our products and listen to their wishes. Such feedback allows us to work hard in providing them with even better products. With respect to quality, we have obtained AS9100 certification which represents the quality management system used in the aeronautics industry. Furthermore, we continue to maintain its standards.



Community Involvement and Development

Relationship with local societies

Starting from 2014, we have participated in activities to protect the banks of the Green-Duwamish River section of the King Country North Wind's Weir estuary situated outside Seattle in Washington State. We also participate in food aid packaging operations at Northwest Harvest's Kent Warehouse every year. In 2018, we continued to participate in food aid packaging operations as in the previous year.



Participation in community activities