

# Hangzhou Yokohama Tire Co., Ltd. (CHZY)

## Business activities

Production and sales of tires for passenger cars

## Total site area

133,000 m<sup>2</sup>

## Number of employees

1,297 (as of December 2018)

## Location

No.3 Street, Hangzhou Xiasha Economic and Technological Development Area, Hangzhou 310018, CHINA

## Contact for consultation and complaints

TEL: +86-571-8672-5885 FAX: +86-571-8672-5753



## Message from the President



Ken Hayami

Hangzhou, where Hangzhou Yokohama Tire Co., Ltd. (CHZY) is located, is a city with an excellent environment, as reflected in the Chinese saying, "paradise in heaven, and Suzhou and Hangzhou on earth." It is a city blessed with such beautiful scenery as "West Lake," a World Heritage site.

As always, being aware that we are in such a location, we have made improvements in order to be one of the region's most outstanding companies in the areas of safety, environmental protection and quality management, in collaboration with the city government and the development area.

As a result, CHZY is positioned as an Environment Education Base and as a Safety Model Company. We will continue to carry out improvement activities aiming at being a company that is trusted and admired in the region.

## Organizational Governance

### Compliance education

We have been continued to enhance the basic system for internal control from the previous year, and thus there were no incidents of misconduct.

From 2018, for those employees whose position is that of section manager or higher, we have been conducting CSR education at a frequency of once a month.

# Human Rights

## Education on respect for human rights

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

## Labor Practices

### Basic Safety Policy

CHZY complies strictly with all applicable laws and regulations. Besides making effective use of the company's occupational health and safety management system to safeguard the health and safety of everyone who works for the company, we also strive to create a workplace environment in which employees can work safely and with peace of mind, working together with all employees to create a trusted company with zero danger.

### Safety and Health Policy

1. Through our compliance with laws and regulations, and with internal regulations and standards, we will ensure the safety and health of all employees.
2. We will protect ourselves by improving fundamental aspects of equipment safety.
3. Continuously improve the work environment and improve occupational health management levels.
4. By implementing standardized training, we will review important safety and health arrangements and ensure that employees are familiar with them.
5. We will develop real "safety-oriented employees" through multi-faceted experiential training and education.
6. Through the implementation and diffusion of safety activities, we will build up a safety-oriented corporate culture at CHZY.

## Safety and health targets

1. Zero accidents (regardless of whether the accident requires time off work), zero fires, and zero occupational health problems
2. Securing designation as a "Hangzhou City Model Company for Safety Culture Establishment"

## Education and training for employees

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

"Safe employee" awareness of all employees is evaluated not only for employees on sites but also for employees working in the administrative department. We have been stimulating the "safe employee" awareness of all employees by deploying KYT (Hazard Prediction Training) activities.

Based upon the safety results we have achieved thus far, CHZY has been recognized by the Hangzhou Development Area as a Safety Model Company. We obtained Japanese Occupational Safety and Health Management System (OSHMS)

Certification in the beginning of 2012. Those standards exceeded what was

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



Zhejiang Province Safety Model Business Plaque



## Responses in case of disasters

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

## Promotion of gender equality

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

## Employment of people with disabilities

We actively employ people with disabilities corresponding to the recommendations of the national government. We now have 22 people with disabilities and have been commended as a model company employing people with disabilities in Hangzhou in fiscal 2017.

# The Environment

## Promoting environmental management

### 2019 Environmental Policy

#### Basic Policy

We aim to be a top-class environmentally friendly enterprise that is trusted by the local community and by society as a whole. We also aim to make a positive contribution to Hangzhou in its development as an environmentally friendly city of culture, as well as to the ecological and cultural education of Zhejiang Province.

#### Environmental Policy

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

#### Environmental Targets

1. Industrial waste Compared to 2018 Unit base 5% reduction
2. Energy Compared to 2018 Unit base 3% reduction
3. Continuation/Maintenance of zero emissions

## Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		1,540	1,458	1,205	1,338	1,197
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	11,791	12,177	13,375	14,449	12,672
	Fuel	9,952	10,374	11,507	12,096	10,861
	Total	21,743	22,551	24,882	26,545	23,533
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		60.8	71.8	79.3	84.5	75.0
Water usage (1,000m <sup>3</sup> )		121	98	75	72	80.1

※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.

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

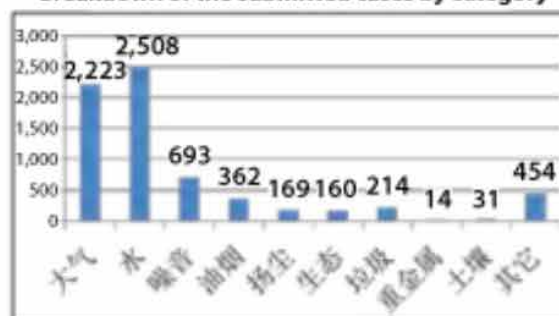
Regarding the issue of environmental responsiveness about which there is ever heightening consciousness each and every year, the company is responding in a variety of ways. During the course of 2018, the Hangzhou Xiasha Economic and Technological Development Area where the company is located was subject to inspection on nine occasions by the Environmental Office, the result of which was that there were no inspection categories that the company failed to pass. During November and December of 2018, nighttime environmental patrols were carried out by company employees of the rank of section manager and higher.

### Breakdown of the submitted cases

Distribution graph of the submitted cases within Zhejiang Province



### Breakdown of the submitted cases by category



## Noise, vibration and odor

We periodically undertake the measurement of noise and vibration levels as well as undertake to implement the installation of sound-proofed walls. Each quarter, an independent inspection company is requested to measure the company's wastewater, its emissions and its noise levels.

Furthermore, we are also pushing forward with improvements such as odor countermeasures for the mixing process.



## Fair Operating Practices

### CSR Policy for 2019

#### Basic Policy

Thorough compliance

We aim to be able to quickly respond to social change, be widely trusted by the local community, and be a company for whom all our employees are proud to work for.

#### CSR Policy

1. We will maintain compliance with applicable laws and regulations, and we will carry out our operations in accordance with both internal and external rules.
2. We will put in place the systems needed to prevent improper behavior; and will also create a working environment in which employees can work with full peace of mind.
3. We will continue to comply with laws and regulations, and to maintain a harmonious relationship with, and develop together with, the local community.
4. We will continue to emphasize fairness and equitableness, and to implement education and cultivation efforts aimed at ensuring that all employees understand the importance of such values.

#### Targets

1. Zero instances of compliance breaches
2. Zero instances of damage to corporate reputation

## Striving to ensure fair transactions and to prevent misconduct

In regard to selection of suppliers, the purchasing department of our parent company mainly deals with the selection.

## Consumer Issues

### Communication with customers

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

### Responses to complaints

The Quality Assurance Design Department responds to complaints about products from original equipment manufacturers (OEMs) and dealers.

## Community Involvement and Development

### Relationship with local societies

#### Major events

CHZY has collaborated with the Environmental Office of the Hangzhou Xiasha Economic and Technological Development Area in the holding of tree-planting events to which have been invited both local residents and students. Through such activities cooperation between government and business has been strengthened, and by holding study meetings on the topic of environmental conservation and participating in a variety of different activities, the company has publicized its environmental philosophy.



Concerning activities that were undertaken in support of biodiversity, samples of insect and plant species, etc., were gathered along the banks of the Qiantang River in relatively close proximity to the company. Furthermore, activities also took place that helped with the removal of Canadian goldenrod (*Solidago canadensis*), a species of invasive weed.

Concerning the aforementioned activities, through the efforts of the company, there was also participation on the part of other companies based in the development area, and that allowed for more effort to be put into intercompany communications.



## Green Development Promotion Association activities

Since June 2017, CHZY has collaborated with two other companies (with the Environmental Office of the Hangzhou Xiasha Economic and Technological Development Area also playing a leading role). That collaboration has led to the establishment of the "Hangzhou Xiasha Economic and Technological Development Area Green Development Promotion Association" which, through fostering exchanges with government agencies, business enterprises, local residents and schools, carries out activities to safeguard the local environment.

## Waste reuse activities

To deepen understanding regarding the reuse of waste, local residents were invited to the company, and activities to make waste into pieces of artwork and containers were carried out.



## Trash separation activities

Trash separation activities were carried out for the benefit of the residents of the Shinko community.

Through study meetings and the actual separation of trash, awareness improvement and conservation activities are being strengthened together with local communities.



## Plant tours

During the course of 2018, a total of around 500 local schoolchildren and residents took part in tours of the company, where they were given environmental education presentations on topics such as energy efficiency and water purification, etc.





# Suzhou Yokohama Tire Co., Ltd. (CSZY)

## Business activities

Production and sale of tires for trucks and buses as well as for passenger cars

## Total site area

201,500 m<sup>2</sup>

## Number of employees

710 (as of the end of December 2018)

## Location

No.158, Huaqiao Road, Xuguan Industrial Park, Suzhou National New & Hi-Tech Industrial Development Zone Suzhou, Jiangsu Province, 215151, China

## Contact for consultation and complaints

Tel: +86-512-6818-1008 Fax: +86-512-6818-1007

E-mail: xc.li@cszy.yokohamatire.com



## Message from the President



Kiyoshi Tomioka

Located in Suzhou, a city known as the "Venice of the Orient," Suzhou Yokohama Tire Co., Ltd. has been producing tires for trucks and buses (TB tires) since 2008. In 2014, in an addition to our TB tires, we commenced the production of passenger car tires (PC tires) as well. In the future, so as to respond to increasing demand, we shall push forward with an expansion of the PC tire plant.

Becoming a company that can coexist with local communities is one of the goals which we have stipulated in our company policy. In 2018, we carried out various activities allowing us to contribute to local communities and to enhance communication with people living there.

For example, on March 2, 2018, we participated in traditional activities for the SpringLantern Festival together with residents of the surrounding residential areas. On March 9, 2018, we directed tree planting at Suzhou Dongzhu Kindergarten, and in April 2018 we had the opportunity conduct tree planting and release young fishin the vicinity of Lake Tai.

At the Suzhou Jing-en Experimental Primary School , we have engaged in the reuse of old tires to create the YOKOHAMA Tire base from September to November in 2018.

And at the 7th YOKOHAMA Forever Forest Project on October 13, 2018, we planted a total of 1,312 trees,and continuously carried out other biodiversity conservation activities.

For this company, the issues of employee occupational safety and health, and our own contributions to the region are important ones. We shall promote our business activities so that we become a company that is admired and trusted by everyone. We will do so in order to realize our CSR vision of becoming a "company that is attractive to both employees and regional communities."

## Organizational Governance

### Code of Conduct

A Code of Conduct has been drawn up, which is printed on a card (together with the company's policy) and distributed to all employees.

## Workplace communication

Within the company, corporate decision-making is conducted through the holding of key meetings (including management meetings, cost meetings, safety meetings, environmental meetings, quality meetings, and meetings of the human resources committee) on a periodic basis.

An internal auditing office was established in 2014. (We also established an internal audit division in 2018 that exercises responsibility over the auditing office.)

## Human Rights

### CSR education

CSR education was implemented for the company's employees on a monthly basis in September 2015. From January of 2018, however, both the frequency of lessons was expanded to four times a month, and the scope of the employees who undergo such education was also broadened. Previously, the program only went as far as educating division managers. Now, however, department and section managers are also subject to training. The syllabus makes use of YRC compliance training materials whose content has been modified to accommodate Chinese laws and regulations. Furthermore, within the internal audit division of CSZY, individual training materials that reflect the most up-to-date situation regarding compliance standards within China are developed, and education is carried out for the relevant employees each month.

### Grievance resolution

With regard to the company's employees, we are able to make improvements based on employees' views as expressed to the human resources office.

External complaints are handled by the environmental affairs office, general affairs office or safety and health office, as appropriate.

## Labor Practices

### Building a safe, healthy workplace environment

Slogan: Personal safety, family happiness (my safety is my family's happiness)

CSZY implements safety activities using the OSHMS system, with improvements being realized through periodic equipment risk assessment and standard operating procedures with public operational observation. We also implement periodic maintenance of fire prevention equipment and MSDS education and emergency response training etc. with respect to chemical substances.

Education is conducted on matters including working conditions, safety and health, and the environment when new employees enter the company. Education is also conducted on matters such as work procedure documents and work safety that are set in the education plan for each workplace. In addition, various forms of annual training are conducted on matters including communication, discipline, and operational skills. A multi-skill development program has been adopted to improve the skills of individual employees, as well as to improve motivation.

In fiscal 2018, CSZY recorded a total of three occupational accidents. Besides implementing measures to prevent reoccurrence, we have also been working to strengthen operatives' safety consciousness. Through risk assessment activities, we are able to prioritize the making of improvements in areas where there is a particularly high level of risk.



## Labour safety and health

Every year, qualified personnel perform measurements of the workplace environment in accordance with Chinese national regulations. In addition, annual health check-ups are provided for all employees.

## Labour relations

The company holds regular meetings with the labour union for the exchange of views.

In 2016, a comprehensive agreement was signed between the company and the union, emphasizing the protection of workers' fundamental rights.

## Human resources development and training

We carry out education and training for employees, along with evaluations of their competence, in accordance with the OSHMS management system. In order to thoroughly educate everybody, a morning safety meeting is conducted every month, once a month, for each of the work shifts.

"KY" hazard prediction activities are implemented once daily, with groups of 4-5 participants.

## Responses in case of disaster

Workplace accidents: Every month, in each workplace, we conduct rescue training that is based on the assumption of a workplace accident having occurred.

Disasters: In 2018, evacuation drills were conducted on five occasions, and firefighting drills were held 17 times.



Firefighting drills



Sensory training



Fire hydrant usage drills



Night evacuation drills

## Managerial diversity

Managerial positions are filled not only through internal promotion from within the company, but also through outside recruitment. The company currently has 24 managers, include three female departmental managers.

## Employment of people with disabilities and promotion of employee diversity

There is a legal requirement that at least 1.5% of a company's employees must be people with disabilities. Currently, CSZY has ten employees with disabilities. CSZY does not discriminate on the basis of gender in its recruitment and treatment of employees.

Of the total workforce of 720 employees (as of December 31, 2018), 92 were female employees.

# The Environment

## Environmental management

We have set out an environmental policy and we comply with laws and regulations related to environmental protection, save resources, and implement preventive measures against pollution. In order to become a plant that is trusted by local communities, we operate an environmental management system, ISO 14001, and continue to advance environmental improvements.

In June 2018, the company was transitioned to ISO 14001:2015.

## Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		517	689	453	560	525
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	5,490	7,848	6,364	7,306	7,837
	Fuel	3,145	3,668	3,324	4,152	4,861
	Total	8,635	11,516	9,688	11,457	12,698
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		18.0	24.2	24.8	29.1	32.0
Water usage (1,000m <sup>3</sup> )		129	145	111	117	133

※FY: January to December

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

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

Chemical substances are managed in accordance with the chemical substance management regulations of the Plant prepared according to the laws.

## Noise and emissions

We conduct measurements twice a year in accordance with the regulations of the regional government. With respect to all measurements that have been taken thus far, the environmental regulation values on all items fall within the specified scope.

As a result of both the national "Action Plan for Winning the Blue-Sky War," and the three-year emission control plan put forward by the Suzhou National New & Hi-Tech Industrial Development Zone, the regulatory environment regarding emissions has stiffened. In undertaking our business activities, the company has worked together with the Suzhou City administration in order to meet such demands.

## Environmental activities

In fiscal 2018, we participated in the Yokohama Forever Forest Project, biodiversity activities and local environmental activities (including plantings on Dayangshan (Mt. Dayang) and releasing fish fry into Lake Tai).





Yokohama Forever Forest Project



Releasing fish fry into Lake Tai



Tree plantings in the vicinity of Lake Tai



Biodiversity conservation activities

## Fair Operating Practices

### Corruption prevention

CSZY is working to promote effective personnel rotations and other measures in order to make the flow of goods, information and money more transparent.

Each month, the internal audit division conducts an operational audit, and it establishes whether or not each of the subject operations is being carried out in accordance with instructions. Such work also seeks to verify the suitability of those operational processes that are subject to audit measures. Through such means, abnormalities can be identified promptly, and improvements made. Furthermore, the company is also working to build up a mutual surveillance structure through the organizing of whistle blowing systems and the installation of suggestions boxes, etc.

### Responsible participation in political affairs

Besides reporting to the relevant company committees all matters relating to revisions in the law, regulations or ordinances, once such has been scrutinized by the Internal Audit Department, the company asks its attorneys for legal advice regarding all matters that relate to new contractual obligations or require specialist know-how.

### Fair competition

With respect to suppliers (both domestic and overseas) seeking to engage in business transactions with CSZY, the company provides fair, impartial opportunities for participation in an open manner.

### Promotion of social responsibility within the company's scope of influence

CSZY requires suppliers to complete surveys relating to conflict minerals, green procurement, etc.

### Respect for intellectual property rights

All of the software used by CSZY is genuine, legitimate software.

## **Consumer Issues**

### **Ensuring product quality and product safety**

In line with our quality policy of "Providing consistently high-quality products so that customers all over the world can purchase our products with complete peace of mind," we implement our quality management system effectively in accordance with the IATF 16949:2016 standard and customers' requirements.

We use QR codes to facilitate the traceability of our products. The number of customer complaints has fallen to 28.6% of the level in the previous year.

### **Improving after-sales services and customer satisfaction**

In 2018, we carried out horizontal dissemination of information relating to the status of improvements made in relation to products about which quality-related customer complaints had been received, in accordance with guidance received from YRC.

### **Education and awareness-raising**

To help raise quality awareness among all employees, visualizing of the progress made in implementing improvements is achieved through the installation of quality boards for each production process. In addition, a "Quality Month" is held every year, with activities that include competitions to choose quality mottos and slogans, quality test sessions, quality prediction training, and the honoring of employees who have made a special contribution to quality improvement, etc.

## **Community Involvement and Development**

### **Participation in local environmental activities**

In April 2018, tree plantings were conducted in the vicinity of Lake Tai, and we provided 50 seedlings and helped to instruct the participants. On the day of the plantings, some employees participated in the conservation activities at the lake, during which two tons of fish fry (approximately 25,000 fish) were released.

On March 2, 2018 (which equates to the 15th day of the first month under the old Chinese calendar, it also being known as the "First Full Moon Festival"), we joined with residents of the surrounding residential areas in undertaking a number of traditional activities for this festival. We held some lanterns, and with the local residents we shared a quiz session that included some questions about Suzhou Yokohama Tire as well as environmental conservation knowledge, etc. Local residents were also given a souvenir of the event we prepared. Five CSZY employees participated in the activities along with 300 local residents.

On March 9, 2018, children at the Suzhou Dongzhu Kindergarten underwent instruction in the planting of trees. On the day, there were 40 people in attendance, and 50 seedlings were planted.

From September to November of 2018, we participated in the beautification activities of the Suzhou Jing-en Experimental Primary School. Using 160 old tires, we created the YOKOHAMA Tire base.

On the October 13, 2018, we participated in the 7th YOKOHAMA Forever Forest Project. On the occasion, 209 people participated, their number being comprised of employees and their families, and also local dignitaries. 1,312 trees were planted at the event.

On June 2 and December 1, 2018, we carried out biodiversity activities. On the two occasions, 170 people participated, their number including local elementary school students, CSZY employees and their families.

### **Plant tours**

Applications for tours of the plant are accepted by the administration department from time to time in accordance with the "Regulations for Acceptance of Visitors."



# Shandong Yokohama Rubber Industrial Products Co., Ltd. (YRSC)

## Business activities

Production and sales of conveyor belts

## Total site area

50,000 m<sup>2</sup>

## Number of employees

215 (as of December 2018)

## Location

Linqun County, Weifang City, Shandong Province

## Contact for consultation and complaints

Tel: +86-536-334-3576 Fax: +86-536-334-3515

e-mail: [lqzw68@163.com](mailto:lqzw68@163.com)



## Message from the President



Shigehiko Amano

My name is Shigehiko Amano , and I assumed the position of President in July 2018. Together with employees, I will work hard to raise the profile of our business as a Yokohama Rubber's second site for the manufacture of conveyor belts both domestically and internationally and to become a growing and vigorous company.

Shandong Yokohama Rubber Industrial Products Co., Ltd. was incorporated in January 2006 as a joint venture between Shandong Yuema Rubber Co., Ltd. and Yokohama Rubber (China) Co., Ltd.

Established in Shandong Province, an area within China where the manufacture of rubber industrial products thrives, we were set up as a manufacturer and seller of conveyor belts.

Our major customers are not limited just to domestic businesses within China, but also spread in overseas countries including Japan. At the worldwide market we offer high quality products to companies that are involved in the support of industries such as steel, coal, cement and electricity. So as to heighten our market value, with the basic philosophy of "delivering inexpensive good quality products in a timely fashion," we aim to become a company that contributes to local communities while concurrently recognizing the importance of safety, environment and compliance issues.



Domestic: Manufacturing large-sized conveyor belts



Overseas: Commencing the manufacture of racetrack packaging

## Organizational Governance

As to managerial organization, under the President there are the division managers who occupy senior administrative positions.

A hierarchy is imposed on them, and they are instructed to be conscious of internal regulations. Additionally, all negotiations among divisions are entrusted to the division managers to motivate them to fulfill their duties, so that our organizational management can be energized.

There are monthly morning meetings for the whole company. At them, by emphasizing safety and utilizing the "get safely home" motto, the greatest importance is placed upon having employees share the ideas that occupational accidents are not to be caused, and that each of them should feel happy to work. Additionally, we have established whistle blowing system to ensure our business operation based on compliance awareness.

## Organization changes

On November 15, 2018, organizational changes were carried out within the company: a facility management division and a financial analysis department were newly established. Such developments, from the perspective of pushing forward with a market expansion, strengthen the maintenance management of the facilities that support the company's performance as a manufacturing hub, and allow us to proceed with the introduction of management accounting that facilitates managers' decision-making, internal evaluation of organizational performance, and grasping of the company's condition.

On this occasion, we also undertook a rotation of human resources below the rank of division manager. We believe this will invigorate the management structure and increase employee motivation.

## Human Rights

We undertake to manage our human resources in accordance with the company's employment regulations which stipulate that no one is subject to acts of gender discrimination, child labor or forced labor, etc. due to employment.

## Revision of the salary system and the introduction of an evaluative system

On the topic of employment, this company is not solely reliant on the immediate surrounding area for its human resources. Rather we have broadened our recruitment activities to include Linqu County. As the only Japanese joint venture in the local area, the level of social welfare that we offer is greatly enhanced. In the second half of 2018, we also took steps to help eliminate regional disparities by undertaking to greatly revise our salary system (in terms of basic salaries, executive allowances, and qualification allowances). Additionally, by introducing a system of performance evaluations in fiscal 2019, we aim to further increase motivation levels among our employees.



### FY2019 Health and Safety Policy

#### Basic policy

Safety first, always go home safely. Through safe facilities, safe operation and an easy-to-work environment, we will achieve zero work-related accidents, value the mental and physical health of our employees, and become a safe and healthy company.

#### Health and Safety Policy

1. We will ensure the safety and health of all employees by complying with laws and regulations and strictly following company safety rules.
2. Work on the normal operation of equipment safety equipment and wear work protective equipment as prescribed.
3. We will establish appropriate safety measures for all products used.
4. Regular safety training and emergency training will raise employee safety awareness and become a true safety person.
5. We will continue to promote employee education to understand and implement our policy.

#### Safety target

No industrial accidents, No fires, No occupational health accidents

A Safe Environment Council meeting is held each month, and via the plant patrols that are conducted by division managers, surveillance takes place so as to confirm the situation in the workplace. Furthermore, in combination with open work observations, we are pushing forward with the development of safe workplaces and the general improvement of the work environment.

### YOKOHAMA Forever Forest Project

We implemented our seventh tree planting activity on October 31, 2018 as part of the YOKOHAMA Forever Forest Project. In addition to an environmental initiative, the occasion was also an opportunity for communication between employees.

The area of the plantings was 70 m<sup>2</sup> in which were placed 800 Buxus microphylla seedlings. To date, we have planted some 9,896 seedlings as part of the project. We will continue to conduct our plantings in accordance with an implementation plan.



YOKOHAMA Forever Forest Project

### Employment of people with disabilities

The company employs a disabled person who is assigned to the human resources and general affairs division.

## Measures implemented in the workplace

To improve employee and customer safety, a new footpath that links the plant buildings together has been put in place. Clearly separating pedestrians and vehicles from one another has benefited the promotion of 2S activities as well as preventing near misses from occurring.



Establishment of a pedestrian footpath

## Creating an employee-friendly working environment

Our social welfare provisions include special payments to employees upon getting married and having children, and for helping with funeral expenses. There is also a maternity leave system in place.

From August 2018, for the purpose of further heightening the level of satisfaction that employees feel towards the company, at a whole company morning meeting once a month, for those employees who will celebrate a birthday during that month, there is the gift of a birthday cake voucher. Furthermore, based on the recommendation of division managers, there is also a bonus system that recognizes the efforts of excellent employees.



Presentation at a whole company morning meeting



Presenting a card and a birthday cake

## Promotion of gender equality

Female employees at the company account for 10.2% of the entire workforce. Meanwhile, we also have three female employees in management positions, who account for 8.1% of all managers. There is no discrepancy between the genders when it comes to promotion.

For new hires as well, when assigning them, we take into consideration both their wishes and their skill sets.

Furthermore, in making effective use of the company's housing facilities, one room is utilized as a daycare center, by which we undertake to offer childcare support to married couples who are in the prime of their working lives.



Childcare Support: The company's childcare center

## Communication

There are no limitations placed on the freedom of groups of employees to engage in activities. Within the company, both a party branch and a labor union have been established. In 2017, the company was evaluated by the Weifang Office of the Administration of Human Resources and Social Security as having "Level A industrial safety and maintenance as well as sincerely observing the law."





## Disaster response

The company carries out two firefighting and relief drills a year. Additionally, from this year every employee has been issued with a safety helmet as part of measures both to ensure employee safety, and to promote safety awareness among them.



A firefighting and relief drill



A firefighting and relief drill



Organizing safety helmets



## The Environment

### FY2019 Environmental policy

#### Basic policy

Establish environmentally-contributing companies that comply with the law with an emphasis on harmony between companies and the environment through eco management.

#### Environmental policy

1. Comply with laws and establish complete preventive measures according to environmental pollution.
2. Continuous improvement using the ISO14001 management system.
3. Realize clean production by thoroughly reducing industrial waste.
4. All employees will promote energy-saving activities, reduce CO2 emissions, and provide eco-friendly products to the market.
5. Continue to promote "Forever Forest project" to become the company that contributes to the environment.
6. Continue to promote education on our policy.

#### Environmental target

1. Industrial waste is 1% lower than 2018.
2. Energy consumption will be reduced by 1% from 2018.
3. Continue to maintain emissions in accordance with standards.

## Environmental management

We promote the operation and maintenance of the ISO 14001 environmental management system and work hard to observe the basic environmental policies of Yokohama Rubber. Concerning the management of VOCs emissions that are subject to the guidance of the Environment Administration, through testing that was undertaken by an impartial third party, it was proven that we, the company, meet domestic emission standards.

Furthermore, we have received no complaints from neighborhood citizens regarding noise, odor or vibration issues. In response to domestic developments regarding the strengthening of environmental restrictions, we have invested money to switchover from old-type boiler to gas boiler as well as the flue gas treatment system. However, environment restrictions continue to get more severe, so we will work to carry out planned environmental investments in fiscal 2019 as well.

## Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		300	157	195	158	250
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	1,437	1,043	1,053	967	1,407
	Fuel	3,009	2,368	2,773	1,313	602
	Total	4,446	3,411	3,826	2,280	2,009
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		13.7	11.3	12.8	6.8	5.2
Water usage (1,000m <sup>3</sup> )		—	93.0	53.3	14.1	9.5

※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. Calculation of emissions from overseas business locations in FY2015 was based on the Greenhouse Gas Protocol Initiative.



Gas boilers



Flue gas treatment system

## Fair Operating Practices

### Corruption prevention

In order to prevent against fraudulent behavior, the company's purchasing department operates in a system provided in the company regulations, in which no competitive bidding, tendering, or ordering can be proceeded without the confirmatory signature of the President.

### Compliance

A Chinese language Code of Conduct has been prepared based upon Yokohama Rubber's own Code of Conduct, and education was conducted among all employees upon their receipt of a YRSC version of the compliance card. Additionally, the consultative point-of-contact (via email and telephone, etc.) for compliance-related matters has been clarified, and we now respond to requests for consultations, etc., as is required.



## Consumer Issues

### Communication with users

An after-sales service division has been established to help heighten customer satisfaction. By engineer visits, and by regularly dispatching service staff to customer conveyor belt installations for servicing, we get close to customers and listen to them so that we can enhance customer satisfaction levels.



After-sales service division activities



Conveyor belt endless jointing

## Community Involvement and Development

### Relationship with local societies

In 2018, the following contributive activities were carried out locally:

1. May 2018: We participated in an event that was put on by the Linqu County Education Administration, to which we donated 1000 copies of a book of Chinese literary classics. In return, the company was awarded a certificate of distinction.



2. August 2018: As a result of a typhoon, where YRSC is located in Linqu County received as much as 321 millimeters of rainfall. Thus, throughout the entire county flooding occurred. In particular, the populated residential areas in the north suffered a lot of damage. Accordingly, in order to assist with rescue efforts, on August 29 YRSC donated some 30,000RMB to the county.



Handing over the YRSC donation to the Linqu County Government



In 2019, we will continue to take the initiative in carrying out activities that contribute to the surrounding area.

# Yokohama Rubber (China) Co., Ltd. (Y-CH)

## Business activities

1. Business administration of tire and MB product production companies and sales companies operating in the China Area.
2. Management of investments in Chinese projects.

## Total site area

442.36 m<sup>2</sup>

## Number of employees

75 (Y-CH employees: 45, YCTC employees: 30) (as of November 2018)

## Location

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

## Contact for consultation and complaints

Tel.: +86-21-32091717 Fax: +86-21-61671388

 [Website](#)



## Message from the President



Hideto Katsuragawa

Yokohama Rubber (China) Co., Ltd. was established in 2005 as the controlling company of the Yokohama Group in China.

In China, we have both tire and industrial product businesses. Currently, our operations are conducted through a structure that totals seven companies; it includes four sites that host production plants and two sites that host sales companies. Business is carried out in accordance with Yokohama Rubber's CSR Management Vision which is "To build a trusted identity as a contributing member of the global community," with our operations being conducted from both the production and sales perspectives.

**In China, leveraging the environmental technologies cultivated worldwide (both products and production)!**

China, which has experienced rapid economic development, is now directly confronted by serious environmental issues. In addition to introducing advanced environmental products, we are also deploying the manufacturing technologies and equipment that we have cultivated worldwide into the Chinese market, for example by

setting zero emissions and zero pollution as objectives. With this high environmental mindset, we are working to contribute to the environment.

**Complying with Chinese laws, conducting clean and fair business activities!**

Legal compliance has been established as a guideline for our business activities; we conduct fair operating and labour practices in a manner that is equitable. Each and every employee is thoroughly educated on the issues of compliance, environmental protection and CSR, and we also focus on developing business people that are capable of operating effectively in international society.



## **Developing a domain in which we can contribute to environmental protection from our unique perspective**

Rather than just contributing in areas which everybody is aware of and in which any company could take action, by considering environmental and social contributions from our own perspective, we at Yokohama Rubber (China) continue to discover unique domains in which we can act. A starting point here has been our activities that support peoples' livelihoods in ethnic minority regions, which have been highly evaluated.

## **The most important thing is to save resources!**

We possess a "Just In Time" mindset that can be stated as "supplying what is needed, when it is needed, and in the quantities needed." By considering matters stretching from production-method issues through to inventory-volume issues, inventory-retention issues and inventory-dispatch issues (logistics), we are proceeding with the construction of our supply chain management (SCM). We are working on this as Yokohama Group policy while distinguishing Chinese business practices.

As indicated above, as an international manufacturer given the opportunity to do business in China, we conduct activities on an ongoing basis while keeping in mind a sense of "gratitude." In particular, in the future as well we want to hold a strong consciousness and sense of conviction in contributing socially and to the environment.

# **Organizational Governance**

## **Compliance education**

We conduct compliance training for new employees.

## **Obligation to maintain the confidentiality of company secrets**

All new hires are required to sign a non-disclosure agreement on joining the company.

# **Human Rights**

## **Fair and equitable recruitment**

In accordance with Chinese law, Yokohama Rubber (China) Co., Ltd. does not discriminate in employment on the basis of gender. We are constantly working to ensure that such discrimination does not arise in our working conditions, and we implement follow-up where necessary.

## **Establishment of an information desk for whistle-blowing**

Whistle-blowing procedures have been announced to all employees.

# **Labor Practices**

## **Implementation of fire response training**

In accordance with Chinese law, Yokohama Rubber (China) Co., Ltd. attaches great importance to the creation of a safe workplace environment, with employees undergoing fire response training on an annual basis.

## Disaster prevention training

We conduct disaster prevention training for new employees as a mandatory course.



Disaster prevention training



## Helping employees to maintain their physical health

Reflecting the company's concern for employees' health, the provision of an annual health check-up for employees is covered by the company's health insurance scheme.

First-aid training is implemented once a year, in order to be able to respond in emergencies when employees are suddenly taken ill in the workplace.

## The Environment

### Environmental Policy

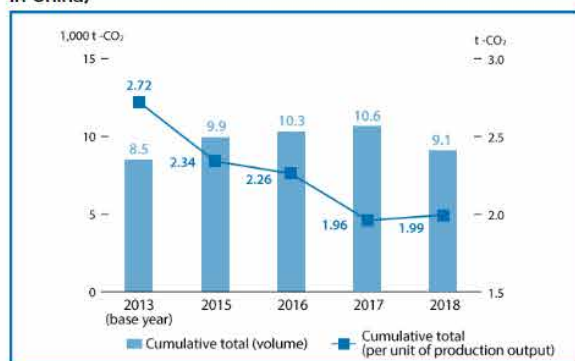
As the controlling company of the Yokohama Group in China, Yokohama Rubber (China) Co., Ltd. has formulated and implements the following environmental policy for the Yokohama Rubber (China) Group, in line with our management policy, which emphasizes dealing fairly with society and treasuring harmony with the environment with the aim of becoming a top level corporation in terms of our contribution towards the environment – a company that embodies "caring for the earth."

1. We will comply with environmental-related laws, rules, and regulations, and agreements, contracts, etc. the Company has consented to for environmental preservation and the prevention of environmental pollution.
2. We will deepen communication with stakeholders and work to reduce our environmental footprint at every stage from purchasing, sales, distribution, use, collection, disposal, etc.
3. We will strive for education and improving awareness so that all employees and people involved in the Company's operations can act appropriately with a proper recognition and awareness of the impact of business activities and individual duties on the environment.
4. All employees will actively participate in and promote the prevention of global warming, energy saving, resource saving, and resource recycling with the aim of achieving a recycling-oriented society and a low-carbon society.
5. We will take steps to safeguard biodiversity and realize the sustainable utilization of bio-resources through our business activities.
6. Yokohama Rubber will pursue harmony with the region as it values the local community with the aim of becoming an environmental contribution-oriented company trusted by the local community.
7. We will release these policies.



## Environmental data

Volume of greenhouse gas emissions (from production sites in China)



A medium-term plan has been formulated to reduce greenhouse gas emissions by 25% by 2020.

Amount of waste generated (from production sites in China)



## Area Environment Meetings

The Tenth Area Environment Meeting was held in July 2018 and the Eleventh Area Environment Meeting was held in October 2018.



China Area Environment Meeting

## Group Environment Audits

Concerning the Group Environment Audits, inspections of plants are conducted by those persons responsible for environmental matters/ environment managers at the various China sites. Audits take the form of confirming compliance with laws and regulations, and also checking the operation of environment management systems. Participants can take home with them the know-how of what is being done well, while it is also possible to identify issues that still need to be addressed. This activity allows for the sharing of experience.

In 2018, a Group environmental audit was implemented at each production site within the region once again.

### 2018 Audit Results

Audited site	Strengths	Minor weaknesses (items)	Opportunities for improvement (items)	Evaluation score			
				Key points	Environment	Risk	Overall
CHZY	3	0	2	100	77	97	91
YIP-HZ	2	4	3	81	86	78	81
CSZY	2	0	4	92	94	91	93
YRSC	1	5	4	64	75	78	73

In 2018 we have been providing support in key areas by making effective use of environmental audit information, and we have been implementing ongoing improvement.



Documentary audit



Field audit

## Enhancing the sharing of environmental data

To enhance the sharing of environmental data between sites, the Third Managers' Environmental Meeting was held in April 2018, and the Fourth Managers' Environmental Meeting was held in September 2018.



Managers' Environmental Meeting

## Fair Operating Practices

### Compliance

Compliance is implemented based on the Y-CH procurement guidelines, and contact with business partners (business talks/trips) is conducted by at least two department members (including one member of management) in all cases. In addition, we have incorporated our response to the environmental issues that China is focusing on into our compliance-related inspection activities. We implement on-site audits and documentary surveys of suppliers on a regular basis, and we use only suppliers that maintain compliance with China's environmental legislation.

### Implementation of employee education regarding improper business practices

Education regarding the prevention of improper business practices is implemented twice a year, based on departmental guidelines, targeting procurement managers.

また、Y-In addition, we abide by Y-CH's own internal standards regarding customer entertainment; all gifts received from suppliers are reported, and a list kept of them.

### Relationship of trust with suppliers

Y-CH's purchasing department has incorporated the fundamental policy of "Always being aware of the need for the purchasing team to maintain a fair, equitable, humble stance," which is one of Yokohama Rubber Headquarters' procurement rules, into its department policy. Y-CH will establish structures for core business partners and multiple business partners and build trust relationships with business partners based on stable production at Yokohama Rubber plants in China.



## Consumer Issues

### Communication with customers

Although we do not handle products directly, we have established a Tire Planning Department and an MB Planning Department. Whilst listening to the voices of users, these departments develop strategies for the Chinese market.

## Community Involvement and Development

### Supporting the Laojunshan Project

As an international manufacturer that is allowed to conduct business within the Chinese market, always within our mind there has been a desire to “give something back.” Thus, since 2011 we have supported the Laojunshan Project on an ongoing basis.

While Laojunshan in Lijiang, Yunnan Province lies at the center of the “Three Parallel Rivers” district within a protected World Heritage Site, Heyuan Village on Laojunshan represents both a gateway and barrier to the region. It fulfills a very important role in protecting the natural environment of the region. Heyuan Village occupies an area of some 108 km<sup>2</sup>. Its population numbers about 2,000 people, and prior to the project, the average annual income was just RMB650 (according to regional government statistics). No roads run through the village and educational standards are unsatisfactory. The main sources of income for the majority of villagers used to be illegal logging of the forestry resources, and the capturing, killing and unregulated collection of wildlife. The repeatedly destructive production processes did not just destroy the land and seriously damage important natural resources; the situation got to the point of posing a threat to the region’s biodiversity.

We started to support the Laojunshan Ecology Preservation Project in April 2011. Concurrently, “Village Banks” that broke down villagers into a number of groups were commenced through investment support that was offered by business. The development of a public administration system for the community was promoted through economic activity, and by joining the power of economic development with a responsibility for ecological preservation, an environmental protection mechanism with the villagers at its core was created.

In 2012, building on the “Village Bank” model, an “Ecological Scholarships (Education Support)” plan was launched, with the provision of a “Yokohama Rubber Ecological Scholarships (Education Support) Fund.”

In 2013, to help boost agricultural value-added for local people and raise income levels, Y-CH provided funding support for “green industry upgrading” and assistance with the purchasing of new equipment in Heyuan Village community.

In 2014 the “Laojunshan Ecological Agricultural and Forestry Product Sales Platform” was launched to strengthen the production and sales chain for environmentally-friendly agricultural and forestry products. The establishment of this Platform has helped to make every stage in the process of selling the community’s products more market-oriented, with an effective guarantee that the project’s achievements can be transformed into revenue, thereby helping to further extend the benefits to local people.

As regards the results achieved by the project, by March 2018 total investment in “Village Banks” reached 513,634 Yuan in Heyuan Village. A total of 12 villages signed a mountain closing protection treaty, effectively protecting approximately 30.55 million square meters of mountain forest.

As the first example in China of an environmental protection issue being resolved through economic development that involves the participation of business, the Laojunshan Primitive Ecology Preservation Project has been strongly evaluated by the Yunnan Province and Lijiang City governments, as well as by various people within society. It was selected for observation by a project run by the Ecology Strategy Research Center of the State Council in March 2013, and in September of that year at the first “Beautiful China” awards it was nominated as the best public project. Yokohama Rubber (China) Co., Ltd. also received the “Most Excellent Company Image Award” in the public environmental protection category for its outstanding involvement. In January 2015, the Laojunshan Project was a recipient of the China Social Innovation Award, organized by the China Center for Comparative Politics and Economics (CCCPE) of the Central Translation and Compilation Bureau and the Center for Chinese Government Innovations, Peking University.

In the spring of 2015, building on the experience accumulated over four years of work at Laojunshan, we began providing support to another community, Liguang Village, as well, with the aim of fostering environmental conservation and sustainable development in the “Three Parallel Rivers” region. Having started with the establishment of “Village Banks” able to provide funds to support the development of local industries, and then moving on to introduce “green industrial development” based on effective collaboration with local communities, we are now moving on to establish a platform for the sale of agricultural and forestry products. As of December 2018, a total of 12 village residents groups in Liguang Village have participated in the “Village Banks” program, and a total of 465,000 Yuan has been financed. The nature conservation area has reached approximately 77.16 million square meters, representing 100% of the total ecological system forest. By helping villagers to develop greater autonomy and self-directedness, and teaching them how they can maintain a way of life that achieves an appropriate balance with respect to the natural world, we are guiding them along the path towards sustainable development based on the concept of “deriving profits from environmental protection, while contributing to the maintenance of environmental protection.”



Laojunshan activity meeting



Dancing with local villagers



Group photograph



# 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 (as of December 2018; including employees concurrently working at group companies)

## Location

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

## Contact for consultation and complaints

Tel: +86-21-6236-8811 Fax: +86-21-5206-7165



## Message from the President



Kazuto Ichikawa



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.

Due to the relentless hard work of our employees, our market share has increased and our sales have steadily been going up. With our continuous courteous sales approach to our customers, we hope to achieve rapid dissemination of Yokohama Rubber's excellent products within China.

We aim to be one of the few elite companies with a strong presence that deals with products other than tires within China.

## 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.

**严格遵守法律法规（严格遵守社会准则！）**

**“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.

## Labor 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. In November 2018, a four-day, three-night trip to Guilin was held, and everyone enjoyed the picturesque scenery in Guilin.



Employee trip (to Guilin)





## 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.

Although we have, for some time now, been wanting to employ disabled persons, unfortunately we have yet to establish a track record in this area.

## The Environment

We conduct environmental management practices in accordance with the Environmental Basic Policy of Yokohama Rubber.

However, we do encounter some environmental issues that are beyond our control in that we cannot obtain the necessary 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. playing a central role.

## 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 at an early stage.

## Community Involvement and Development

In November 2018, we participated in a joint traffic safety advertising campaign by three companies from Shanghai as a volunteer team and promoted traffic safety near schools.





# Yokohama Industrial Products – Hangzhou Co., Ltd. (YIPHZ)

## Business activities

- Production and sales of hydraulic high-pressure hoses and hose fittings
- Assembly and sales of hydraulic high-pressure hoses
- Production and sales of sealing materials for automobiles

## Total site area

53,450 m<sup>2</sup>

## Number of employees

206 (as of April 2019)

## Location

No.89, Sanfeng Road, Qianjin Street, Xiaoshan District, Hangzhou, China

## Contact for consultation and complaints

Tel: +86-571-5697-5288 Fax: +86-571-5697-5299

Email: [renyiqun@yiphz.com.cn](mailto:renyiqun@yiphz.com.cn)



## Message from the President



Atsushi Yamada

YIPHZ was founded in January 2015 through the merger of Yokohama Hoses & Coupling (Hangzhou) Co., Ltd. (YHCC) (a hose manufacturer) and Yokohama Hamatite (Hangzhou) Co., Ltd. (YHHC) (an adhesives and sealants manufacturer). YIPHZ is mainly engaged in supplying hydraulic hose to the construction machinery market, and Hamatite automotive adhesive to the car manufacturer market. We are implementing various improvements in order to meet customers' needs, and as a company we are aiming to enhance our overall level of operation. As part of our environmental protection activities, we are implementing the "YOKOHAMA Forever Forest" tree-planting activity, and we are making a concerted effort to contribute to society through environmental protection. In the future, besides striving to maintain the status of our products as being No. 1 in China for quality, we will also be aiming to be a widely respected company in the China market through our ongoing contributions to the local community.

## Organizational Governance

Management is conducted to ensure there are no internal control issues, with the General Manager at the top, department manager in each department, and section managers stationed below them. Management based on regulations is implemented regarding the division duties including matters for the approval of the General Manager and matters for the approval of department managers in each field. Inspection through both internal and external audits is also conducted to improve compliance awareness.

## Human Rights

There is no discrimination based on matters including the birthplace or gender of each employee. Furthermore, the company is not engaged in any illegal activities such as forced labor or child labor.

## Labor Practices

We conduct broad recruitment in the Hangzhou area; we have established equal hiring opportunities and offer higher posts and positions within the company without discrimination based on gender or birthplace.



## Promotion of gender equality

We offer equal opportunities for promotion to higher posts and positions for both men and women. There are also frameworks for taking maternity leave, etc. as required.

We acquired the OHSAS 18001 occupational safety and health management system certification on July 21, 2016.



OHSAS 18001 Certificate

## The Environment

### Environmental management

The Environmental Council has been established as a corporate meeting body, at which all the company's executives confirm the environmental data for the previous month, and verify and discuss whatever other environmental issues there are. There have been zero environmental accidents nor near misses. What is more, there have also been zero complaints, etc. forthcoming from local residents.

Additionally, we acquired ISO 14001 environmental management system certification on July 13, 2016.



## Environmental policy



ISO 14001 Certificate

## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		—	80	174	319	386
Proportion sent to landfill (%)		—	0.0	0.0	0.0	0.0
Landfill waste (t)		—	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	—	357	600	927	1,254
	Fuel	—	1	0.0	0.0	0.0
	Total	—	358	600	977	1,254
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	1.04	1.75	2.46	3.65
Water usage (1,000m <sup>3</sup> )		—	12.2	8.2	10.2	13.5

※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. Calculation of emissions from overseas business locations since FY2016 was based on the Greenhouse Gas Protocol Initiative.

## Fair Operating Practices

### Corruption prevention

A purchase order is issued by the purchasing department based on the request from each department, and the delivery is accepted and inspected by the requesting department. Additionally, as part of efforts to prevent fraud, internal rules have been put in place. In compliance with them, any purchase of CNY 2,000 or larger is ordered only when approved by general accounting department; the approving parties for orders are appointed based on purchase size; and big-ticket purchases are approved by the top management.

## Consumer Issues

### Communication with users

We make regular visits to users in order to accurately assess the needs of customers.  
We resolve to supply products that satisfy our customers under our quality policy.  
We acquired ISO 9001 quality management system certification on July 11, 2016.



ISO 9001 Certificate

## Community Involvement and Development

### Relationship with local societies

We implemented our fourth tree planting activity in October 2018 as part of the "YOKOHAMA Forever Forest Project"; and approximately 200 employees planted around 1,000 saplings in a 240 m<sup>2</sup> area.  
Further, we also participate in local activities for social contribution on an occasional basis.



October 2018: 4th "YOKOHAMA Forever Forest Project" tree planting



# SC Kingflex Corporation (SCK)

## Business activities

Production and sale of low and high pressure rubber hoses, assembly parts and compound master-batch (CMB) products

## Total site area

30,464 m<sup>2</sup>

## Number of employees

164 (as of December 2018)

## Location

Jungli Plant: No.99 Hsiyuan Road, Jungli IND. Park, Jungli, Taoyuan, 32057, TAIWAN R.O.C.

Miaoli Plant: No.91 Jungsing Road, Jungsing IND. Park, Tunglo, Miaoli, 36647, TAIWAN R.O.C.



Miaoli Plant



Jungli Plant

## Message from the President



Koichi Watanabe

SC Kingflex Corporation was established in 1979 and became a member of the Yokohama Rubber Group as a joint venture with Yokohama Rubber in 1990. We have two plants in Taiwan that produce and sell low and high-pressure rubber hoses, assembly parts and compound master batches. We acquired ISO 14001 certification in 2001, setting the environment and safety as important pillars of management. We have carried out activities to reduce environmental impact as a member of the local community. As specific activities, in production we have promoted a policy of increasing the number of times that the mandrels and vulcanization plating materials (molds) required for the production of hoses are recycled. Furthermore, with respect to both hardware and software, we have increased energy efficiency by improving equipment. We adopted "safety", "the environment", and "quality" as our core principles, and by utilizing three management systems, we make efforts to produce products that are friendly to the planet through the participation of all employees. In doing this our aim is to be "a company having world-class strengths in technologies for protecting the environment", this representing the GD100 slogan of Yokohama Rubber.

As regards Yokohama Forever Forest Project activities, the 1st planting was held at the Miaoli Plant in March 2012, and a 3rd planting was conducted in March 2016. In 2018, we had another planting (90 orange jessamine and 110 mock lime) in the flowerbeds facing a public road. We also carry out environmental activities by registering with the Green Wave Program every year.



March 2018



## Organizational Governance

### Compliance education

In addition to distributing the SC Kingflex Corporation Management and Conduct Manual to all employees, we have posted our action policy and made our employees thoroughly aware of it. Furthermore, we have also created a Chinese language version of the Yokohama Rubber Group Guide for Conduct and distributed copies to all employees. In 2018, we reviewed and thoroughly implemented our "work implementation based on rules", based on a work audit by the Yokohama Rubber Co., Ltd. (YRC) audit office and implemented at the end of 2016.



### Policy for prevention of corruption

In addition to distributing the SC Kingflex Corporation Management and Conduct Manual to all employees, we have posted our action policy and made our employees thoroughly aware of it.

## Human Rights

### Education on respect for human rights

The company regulations provide for compliance with various laws.

## Labor Practices

### Occupational safety and health

#### Safety Policy

1. To carry out occupational accident prevention activities by participation and efforts of all employees.
2. To prevent occurrence of occupational accidents by the safety management system.
3. To improve in compliance with required regulation targets in accordance with laws.



## Education and training for employees

We regularly conduct QCC activities (Quality Control Circle small group improvement activities), seminars and operational training that involves forklifts and boilers, etc.

## Responses in case of disaster

Firefighting drills are conducted twice annually, and we also carry out safety drills that involve rescue techniques. Furthermore, we have organized the implementation of an emergency network of contacts.

## Promotion of gender equality

In accordance with the spirit of gender equality, we do not conduct recruitment based on gender. We have not implemented any special measures to boost recruitment of female employees, but the company does already have a large number of female employees, reflecting the special characteristics of the region where we are located.

## Employment of people with disabilities

The current employment rate of disabled people is 0.7%.

# The Environment

## Environmental management

In responding to both the Environment Month and Safety Month run by Yokohama Rubber, we take steps to promote and strengthen the various categories of activity.

### Environmental Policy

1. With efforts and actions by all employees, we strive to prevent environmental pollution and work-related accidents.
2. With environment systems, we strive to prevent environmental pollution and work-related accidents.
3. Observing laws and regulations and adhering to regulatory values, we strive for continuous improvement.
4. Through "6S" activities, we strive to improve the environment.
5. We strive to develop environmentally-friendly products.

The Environmental Policy is explained at the start of each financial year, and shared with all employees.



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

We filed the status of chemical substances with the Taiwanese Government and it was accepted. We continue to manage chemical substances appropriately.

## Noise, vibration and odor

While we have on occasion undergone on-site inspections conducted by the Environmental Protection Administration (EPA) of the Taiwanese Government, we have never been subject to matters of concern being pointed out through these inspections.

## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		196	141	157	174	196
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	922	794	831	996	1,095
	Fuel	195	157	159	189	214
	Total	1,117	952	989	1,185	1,309
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		2.6	2.7	2.8	3.4	3.8
Water usage (1,000m <sup>3</sup> )		8.3	8.2	7.9	10.7	12.2

※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. Calculation of emissions from overseas business locations in FY2015 was based on the Greenhouse Gas Protocol Initiative.

1. We calculate the volume of greenhouse gas emissions each year.
2. We calculate energy use, waste emissions and water usage each month. Whereby anomalies occur within these results, we identify their causes and implement responses.  
Due to an incident where heavy fuel oil was discharged from our plant in 2016, we have been performing disaster exercises every year.

## Fair Operating Practices

### Corruption prevention

We strictly comply with all laws, practices and social ethics.

### Involvement in supplier management

We started to provide, contract, and manage the adoption preparations for configuring relationships with suppliers based on the Yokohama Rubber Co., Ltd. (YRC) platform.

### Requests and opinions to Yokohama Rubber from suppliers

We have a system in place that allows for opinions to be received through agents.



## Consumer Issues

### Communication with customers

We maintain a website with a corporate profile and overview of our products. Furthermore, customer satisfaction surveys are conducted twice a year in order to improve products and services.

### Responses to complaints

In order to promptly respond to customer requests, we have established a quality assurance policy and we adhere to it.

### Relationship with local societies

Every January all employees clean up the road from the plant to the mausoleum located in the industrial park. We also clean up the road in front of the plant once a week.

Once a year since fiscal 2009, employees of the Jungli Plant and Miaoli Plant have participated in coastal cleanup activities. These events are a regional beautification activity sponsored by Miaoli County.



# CSR Report of Yokohama Tire Taiwan Co., Ltd. (YTT)

## Business activities

Sales of tires for passenger cars, construction vehicles, motor sports and motorcycles

## Total site area

307m<sup>2</sup>

## Number of employees

17 (as of December 2018)

## Location

Suite 601 6th Floor No.88, Sec 2, Chung Hsiao E. Road, Taipei, TAIWAN R.O.C.

## Contact for consultation and complaints

Sales and Technical Service Dept. Tel: +886-2-2356-8528 Fax: +886-2-2391-9242

E-mail: Ytt100@yokohamatire.com.tw



## Message from the President



Tomoaki Kubota

In establishing "conscience and professional technology" as the spirit of our corporate management, we do our utmost to provide environmentally-friendly tires that meet global standards. We comply with laws and create an environment that is abundant in humanity, while also undertaking continuous improvement so as to reduce pollution and the loss of environmental assets. Focusing on sales of "BluEarth-AE50," "BluEarth-ES32," "BluEarth AE-01," "GEOLANDAR SUV G055," and "GEOLANDAR H/T G056" tires, etc., a very favorable response has been received from Taiwanese customers in reaction to the strong appeals made for environmentally-friendly products. Furthermore, as social contribution activities, we have conducted cleanups involving our employees, their families and our business partners in the mountains and along the coasts throughout Taiwan. In the future, we will develop our business activities in order to realize the seven core subjects of ISO 26000 standard within this region.

## Organizational Governance

A director and an auditor (one party each) have been selected from outside our company, and we seek their opinions regarding governance and compliance matters.

As the sales company in YRC Group, we strictly adhere to internal control, risk management, and compliance measures.



## Human Rights

We employ people irrespective of their gender, and we follow up on an ongoing basis to ensure that such discrimination is not present within our terms of employment.

## Labour Practices

We comply with all the provisions of Taiwan's Labor Standards Law, and the specific content thereof has been incorporated into the company's regulations. Although we have no labor union due to our small size, we make no attempt to set labor conditions that are below those generally found in Taiwanese companies. Rather, we work to improve both the economic and sociocultural standards of our employees. Furthermore, in that our work frequently involves driving motor vehicles, we pay close attention to the observance of road laws and regulations, and we also engage in safe driving practices.

Consequently, at the beginning of each meeting, we read safety codes together to raise awareness.

## Diversity of human resources

There are laws in Taiwan that mandate the employment of disabled persons; however, because they do not apply to a company of this size, we currently have no such experience.

## Training and education

We hold disaster prevention and firefighting training twice a year (in June and December).

Further, the 4 sales supervisors visited the plant in Hangzhou, China, and toured the sales stores.

## The Environment

### Environmental management

We are gradually replacing the company cars used by our sales personnel with hybrid vehicles. In the future as well, when we replace our existing vehicles, we will replace them with environmentally-friendly models.

Since acquiring ISO 14001 certification in 2005, we have continued to operate environmental management.

This certification is renewed once every three years; on the fifth instance of renewal, on December 15, 2017, we successfully upgraded our certification to the new version: ISO 14001: 2015.



## Fair Operating Practices

Exchanges of opinions regarding business matters are regularly held with major business partners. With regard to issues experienced by the parties, mutually-agreeable solutions are proposed and then carried out. Moreover, both parties conduct confirmations to ensure neither fraudulent business dealings nor antisocial business practices occur, and at the same time we also work to create trusting relationships. In fiscal 2017, we made the following trading partner awards: 9 achievement awards, 5 progress awards, 14 challenger awards, and 10 environmental beautification awards.

On April 14, 2018, we held the "6th Nationwide YCN Meeting" in Kaohsiung City, Taiwan. During the Meeting, we presented awards for various activities implemented in 2017, announced the targets for fiscal 2018, and gave presentations on new products and new sales promotion activities, etc.



Group photograph taken at the 6th Nationwide YCN Meeting

## Consumer Issues

The company has launched its website and a Facebook presence, etc., through which we disseminate information regarding products, sales promotions, sales bases and CSR activities, etc. Furthermore, we receive opinions directly from consumers regarding such matters and answer each individually.

Moreover, with respect to complaints and questions from customers, the Sales and Technical Service Department receives such matters and responds to them by telephone, e-mail, and individual response.

## Community Involvement and Development

We carry out "cleanup activities" three times a year in the mountains and along the coasts throughout Taiwan. Employees, their families and business partners participate in these activities.



Mountain cleanup activities



Coastal cleanup activities



# Yokohama Tire Sales Philippines, Inc. (YTSP)

## Business activities

Sales of automobile tires and motor sports tires

## Number of employees

23 (as of December 2018)

## Location

Unit A2, First Midland Bldg., 109 Gamboa st. Legaspi Village 1229 Makati City PHILIPPINES

## Contact for consultation and complaints

Administrator Tel: +63-2-817-5031 Fax: +63-2-817-5035



## Message from the President



Satoshi Miura

Yokohama Tire Sales Philippines, Inc. (YTSP) is supported by powerful contract dealers, and is engaged in Yokohama Tire sales activities domestically. Further, the company also supplies its original equipment to the various car manufacturers who are developing production bases in the region. We are aware of environmental problems based on Yokohama Tire's policies, and by devoting our efforts to selling environmentally-friendly products typified by low-fuel tires, we are devoted to enlightening the as-yet unaware populace regarding our "Eco activities".

Further, we have determined the following in-house slogan and are actively participating in activities that contribute to society.

"We must recognize the company's corporate responsibility, and we must act as a good corporate citizen in the local community where we are engaged in business. We must seek every opportunity to contribute to society through business and social contribution activities."

## Organizational Governance

We act in accordance with our code of conduct and seek opinions regarding governance and compliance.

## Human Rights

We employ both men and women without discrimination, and we always follow up on labor conditions to ensure that there are no forms of discrimination. Currently, we have nine female employees and 13 male employees managed by two local managers (VP: female, AVP: male).

## Labor Practices

We comply with all of the matters stipulated in labor laws, and the specifics are incorporated into our company rules. We work to improve the standards of living of employees economically, socially, and culturally while not falling below general working conditions. In addition, because cars are frequently used for business purposes, we pay special attention to compliance with traffic regulations and driving safely.

### Diversity of human resources

Currently, we have not employed any people with disabilities.

## The Environment

### Environmental Policy

1. We will work to understand the impact of our business on the environment and improve preservation of the environment.
2. We will comply with laws and regulations related to the environment.
3. We will work to sell tire products that aim to reduce our environmental load.
4. We will work towards saving energy, saving resources, recycling, and reducing wastes.

### Amount of electricity used

The amount of electricity used was equivalent to 316,530 Philippine pesos in monetary terms.

## Fair Operating Practices

### Corruption prevention

It is prohibited to dine or exchange gifts with public officials, and there have been no cases of corruption violations up until now.

### Communication with business partners

We regularly exchange opinions on trade with major business partners, and propose and implement solutions on mutual issues. In addition, we conduct mutual checks to confirm that there have been no illegal transactions or anti-social commercial behavior while working to build up relationships of trust.

## Consumer Issues

### Communication with customers

We have launched our own website and Facebook page in order to distribute information on products, sales promotion, sales locations, CSR activities, and other matters. In addition, we also directly accept feedback from consumers through these forums, which we respond to individually. Furthermore, the Sales and Technical Service Department responds to complaints and questions from customers by telephone, email, or individual support.





Twice a year, we hold gift campaigns by giving original items to encourage sales to tire purchasers.



Support for booth exhibits by a tire dealer at an auto show (Manila Auto Salon)



Yokohama Football Cup as a form of sports marketing for the purpose of improve brand recognition

## Community Involvement and Development

### Relationship with local societies

The company has the responsibility to help those who are most in need, and to this end it encourages employees to participate in community service.

Our employees conduct such activities based on the awareness that this is one of the most important principles of the company.

For this end, the company endeavors to fulfill the following roles as an organization with a responsibility towards society overall, and not only towards business activities.

1. Take urgent measures in response to support needs
2. Interact and succeed together with the local community throughout the year

In recent years, we have been involved in the community in the Philippines by participating in the various CSR activities below:

1. Outreach program for street children through an NGO
2. Donation of beds to general hospitals in the Philippines
3. The company's employees and dealers both participate in the Forever Forest Program of Yokohama Tire Philippines every year in order to contribute to environment preservation by planting trees in the areas surrounding manufacturing plants.

### Regional support in coordination with medical institutions

Free medical checkups and dental checkups were provided by local general practitioners, etc. for residence in cooperation with tire dealers in Angeles City, Pampanga Province, and medical kits, pharmaceuticals, and food were also provided free of charge. We have promoted local communication and contributed to the sustainable development of the local community through these activities.



# Yokohama Tyre Vietnam Inc. (YTVI)

## Business activities

Production and sale of tyres for motorcycles (MC), small trucks (LTB), industrial vehicles (ID) as well as spare tires for passenger vehicles (PCB). From FY2016 we commenced import sales of Yokohama's radial tires including passenger car radial tires (PCR).

## Total site area

44,400 m<sup>2</sup>

## Number of employees

614 (as of December 2018)

## Location

No.17, Street 10, Vietnam Singapore Industrial Park, Thuan An District, Binh Duong Province, VIETNAM

## Contact for consultation and complaints

Administration Section Tel: +84-0274-3767-909 Fax: +84-0274-3767-029



## Message from the President



Yasunori Takeuchi

Yokohama Tyre Vietnam Inc. (YTVI) is located in the Vietnam Singapore Industrial Park established in Binh Duong Province to the north of Ho Chi Minh City in Vietnam and specializes in the production of bias tires.

Further, we also combined the production and sales functions, so that we not only export to Japan (LTB/ID/PCB), but also sell MC/LTB in the Vietnamese market. In FY 2016, which was the 10th anniversary of the establishment of the company, we started selling PCR as well.

With "safety, environment, and quality" as foundational pillars of our activities, we actively engage in

- Providing customers with products that can be used safely with peace of mind
- Creating workplaces where employees can feel safe and secure
- Planting activities and environmental education based on the "Yokohama Forever Forest Project."

Through our biodiversity activities, we continue to aim to become a business that is even more deeply-rooted in and trusted by local regions. Despite being a small company within the Yokohama Rubber Group, we hope to work even harder to ensure that our existence is known.



## Organizational Governance

Based on the company's policies and standards, employee education regarding legal compliance is regularly conducted, and we continue to work to improve employee awareness of such compliance issues.

We have also revised how agreements are reached with respect to authorization rights and routes, and we have improved the shape of operations so they fit more easily with the nature of actual business.

We are reviewing our meeting structure so that it is possible to share information and make decisions based on rank, while remaining aware of efficient, local-driven operations.



Internal regulations study session

## Human Rights

### Education on respect for human rights

In 2018, events such as eat-out and giving of commemorative gifts are held in cooperation with the labor union on International Women's Day every March and Vietnamese Women's Day every October.



International Women's Day



Vietnamese Women's Day

## Labor Practices

### Complaints and requests from employees

Complaints and requests are collected from workers once a quarter, and once the company's stance is explained at the labor and management council, these complaints and requests are responded to individuals. Furthermore, in fiscal 2018 the representatives of labor union and the company exchanged views on Green Day once a month to strengthen the mutual relationship and respond promptly to specific requests and complaints.

### Communication with employees

We planned various activities such as an end-of-year party, and sports day, etc., to strengthen communication with the employees.



End-of-year party



Sports day



Children's Day

## Education and training for employees

We have designated the first day of every month as Green Day and are improving environmental awareness through cleaning both inside and outside of the factories and teaching everyone to separate their garbage.

Also, in fiscal 2018, we collected environmental slogans during Environment Month and started environmental and safety study meetings, and worked to improve environmental and safety awareness among employees.

## Responses in case of disaster

We implement carefully-planned response drills to fires and disasters, and participation at least once a year is mandatory for all employees.

In addition, drills on food poisoning are conducted to respond to the characteristics of the region.



Fire drills



First-aid



Gas leaks response drills

## Gender equality

We are promoting women's management positions (at the rank of General Manager, etc.). Of the eight such positions within the company, four are occupied by women.

## The Environment

Monthly local follow-ups on environmental/energy saving activities and regular audits of industrial waste processing companies are conducted.

Green Day events are conducted on the first day of every month with the aim of improving environmental awareness through clean-up activities at plants and education regarding waste-collection and separation practices.

In FY 2018, in addition to tree maintenance and cleaning on the plant premises, biodiversity observation activities were performed. We will continue these activities as part of the Green Wave activities.

In addition, we are actively rolling out energy-saving improvement activities and are contributing greatly to reducing the amount of energy used.



Biodiversity activities



## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		425	440	360	444	512
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	2,071	2,361	2,224	2,458	2,774
	Fuel	1,435	1,575	1,426	1,755	2,020
	Total	3,506	3,936	3,650	4,213	4,794
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		7.6	8.2	5.8	6.8	7.8
Water usage (1,000m <sup>3</sup> )		53	48	44	41	45

※FY: January to December

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

## Fair Operating Practices

Suppliers are audited, plant tours conducted and opinions exchanged, etc.  
We also conduct internal compliance education.



Plant tour

## Consumer Issues

### Communication with customers

In the interest of making information available to the public, especially tire consumers in the Vietnamese market, we have been continuing to operate the Yokohama Tyre Vietnam website in order to release product information and news related to our company in Vietnamese.

During FY 2018, we conducted a campaign activity with the message being “Safe and comfortable travel, prevention of accidents from inattention, and frequent tire inspections for safety” to improve consumer awareness of the importance of tire inspection.

We also continued working to raise awareness in children towards safety through means such as the sponsorship of a soccer class for children.



Soccer school for children

## Community Involvement and Development

### Relationship with local societies

In FY 2018, in addition to internal planting activities, we performed biodiversity activities in a national park in Tay Ninh Province. As with last year, we made visits to facilities for people with disabilities and donated goods.



Biodiversity activities



Visits to facilities for people with disabilities

### Contribution to the local community

In FY 2018, we were recognized for our business performance and contribution to the local community and received an award from Binh Duong Province.



Award from Binh Duong Province



# Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT)

## Business activities

Production and sale of tires for trucks and buses, small trucks and passenger cars

## Total site area

Total site area: 418,029 m<sup>2</sup> (plant), 1,690,000 m<sup>2</sup> (test course)

## Number of employees

2,030 (as of December 2018)

## Location

7/216 Moo.6, Amata City Industrial Estate, Tambol Map Yang Porn, AmphurPluakdang, Rayong Province 21140, Thailand

## Contact for consultation and complaints

Human Resources and Administration Dept.

Tel: +66-38-627-170 Fax: +66-38-627-199

Email : [saksri\\_a@th.yokohamatire.com](mailto:saksri_a@th.yokohamatire.com)

[Jirinee\\_h@th.yokohamatire.com](mailto:Jirinee_h@th.yokohamatire.com)



## Message from the President



Makoto Takagi

Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT) began operating in Thailand in 2004. In line with Yokohama Rubber's Grand Design 2020 (GD2020) medium-term management plan, YTMT is being positioned as a major overseas production facility for general tire products (including TBS and PC/LT), and is aiming for further growth in the 2020s.

In 2009, to significantly strengthen the tire development and testing capacity of Yokohama Rubber, the Tire Test Center of Asia (TTCA), a tire proving ground, was built some 30 km from our plant. We expanded the WET and DRY handling courses in 2013. In 2017, development of the Geolandar G003M/T was undertaken at TTCA's off-road evaluation course.

Commencing in Thailand, sometimes called the "Detroit of Asia", and throughout the ASEAN Region, motorization has been developing with a tremendous vigor. For tires, which represent one important component of motor vehicles, both the degree of satisfaction with respect to required performance and the credibility issue with respect to quality have become increasingly important. At the same time, however, because being environmentally-considerate is also an important issue, a priority for

us is to produce tires with minimum energy, using materials that place little burden on the environment from the stage of their being procured as raw materials, and through to the utilization of their properties. Based on this premise, we strive to achieve product development, marketing and production expansion.

Since obtaining ISO 14001 certification in 2007, by using our environmental management system as an axis on which to base activities, we have also addressed environmental preservation through participation by all employees. Each year, by establishing specific targets and working continuously to reduce environmental burdens, we see improvements in the various environment data categories. We moved to certification under the revised version of ISO14001 (ISO14001:2015) in September 2018.

In 2011, we were the first in Thailand to obtain ISO 50001 certification (for energy management systems), and on an ongoing basis, we continue to actively improve our savings in energy and electricity usage.

In June 2017, we commenced full-scale implementation of the Cogeneration Heat Plant (CHP) project, realizing a 14% reduction in CO<sub>2</sub> emissions, equivalent to 5,642 t-CO<sub>2</sub> (over the period from June to December, when the CHP system was in operation).

As part of our efforts to help safeguard the environment, for the purpose of reducing CO<sub>2</sub> emissions and in order to communicate positively with local communities, tree-planting under the YOKOHAMA Forever Forest Project was launched in 2008. As of 2017, which was the final year of implementation of the Project, we had planted a cumulative total of 84,725 trees.

We realized a target achievement rate of 169%; the quantity of CO<sub>2</sub> absorbed and sequestered by the trees planted in this Project amounted to 677,798 tons per year.

The seedlings used in these activities are sprouted from local acorns while the forest itself is created in accordance with the Miyawaki Method. Concurrent to employing this method ourselves, we have also taken steps to support its adoption by other companies and local schools. Furthermore, three years ago we became the first overseas location within the Yokohama Rubber Group to commence biodiversity protection activities. For the purpose of furthering our community integration, we have taken steps to introduce such actions to both government and the local people. In order to achieve ecological balance this financial year, we shall continue to monitor and improve the measures in which we are engaged.



## Organizational Governance

### Revising the organization and its structures

In aiming to create an organization that possesses a positive sense of unified team work, we employ organizational management practices.

Starting from FY2018, we have formulated new measures, so that safety activities can be conducted in a more focused manner. The manufacturing management department has been concentrating on employee safety activities such as risk reduction, etc.

We are working to improve and further develop both safety and quality through the verification of existing standard operating procedures (SOPs) and one-point lessons (OPLs), and through cause analysis, auditing, etc. We also install fool-proofing systems and verify safety and quality after making changes to machinery and after installing new machinery.

## Labor Practices

Safety and health are the basis of all operations, and we aim to prevent labor accidents while creating more pleasant workplaces. We have engaged in various new safety and healthy activities up until now and continue to do so going forward.

### Health and Safety Principles

Safety and health are the basis of every operation and we aim to prevent occupational accidents while building up comfortable workplaces.

### Policy Towards Health and Safety

1. Each worker must place their greatest emphasis on safety. Improved safety shall be obtained through active participation and cooperation between employees on one hand, and managers and supervisors on the other.
2. We shall thoroughly observe all regulations and laws that pertain to issues of health and safety.



3. The importance of health and safety shall be conveyed to every member of the labor force, and all necessary training shall be carried out.
4. To ensure the health and safety of every member of the labor force who engages in corporate activities, cooperation with the relevant partner businesses shall be strengthened.
5. To eliminate the hidden risks associated with both devices and work tasks, a plan-check-do-act (PDCA) cycle based on the occupational safety and health management system (OSHMS) shall be utilized, and it shall undergo improvement on an ongoing basis.
6. To preserve in good order the cleanliness that represents the basis of health and safety within the workplace, we shall thoroughly carry out 2S activities (seiri and seiton, or sorting and straightening).
7. While actively supporting increased mental and physical health, we shall promote the creation of comfortable working environments.
8. As a company that is involved in the automotive industry, we shall adopt measures for the purpose of preventing traffic accidents.

We continue to ensure safety and health as a top priority task. Based on the occupational safety and health management system, we promote activities in terms of both people (people and mechanisms) and equipment, including open work observation activities and inherent safety of equipment activities, etc.



OSHMS Certificate



TIS Certificate

## Hazardous operations gap survey activity

Operations that are not specified in standard operating procedures (SOPs) can involve hidden risks. With this in mind, we implemented a hazardous operations gap survey activity in FY2017, and made improvements to all items. Checks on machinery and equipment gaps have been conducted by the related departments of Yokohama Rubber and YTMT from 2018 to confirm the safety of all machinery.

To facilitate the making of improvements to all machines and SOPs, we drew up a "Summary List of Risks Requiring Improvement," based on the risk assessment inspection results. As of September 2018, improvements had been made with respect to 0 Level V risks, 126 Level IV-III risks (with a severity level of 8), 110 Level IV risks, and 492 Level III risks. Since then, we have continued to implement risk reduction activities and compile periodic activity reports, and our improvement efforts have been confirmed by the relevant departments at Yokohama Rubber.



Checking locations where entry is possible



Risk assessment in progress

In fiscal 2018, some 30 teams engaged in quality improvement activities. We implemented TPM (including QCC and OM activities) and follow-up training drills, as well as implementing related education through presentations and contests.



Quality education activity

Such activities were not merely limited to what took place within the company; original equipment manufacturers (Toyota, Mitsubishi, Honda and Isuzu) also actively participated in those presentations that took place.



At Mitsubishi Motors



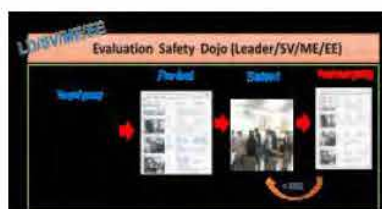
Within the company

## Hands-on safety drills (Safety Dojo)

As a large number of accidents had been occurring, in 2018 the safety department revised the content of hands-on safety drills, with the aim of ascertaining the reasons for accidents. The method adopted involved the utilization of radar chart graphical displays to evaluate C-D rank. It was anticipated that by implementing hands-on safety drills using this method, it would be possible to enhance the safety awareness of managers and supervisors in all departments, as well as all operatives, including machine operators, electrical technicians, production technology specialists and IT technicians. A plan was formulated whereby personnel would undergo pre-testing and post-testing by March 2018; the aim was to ensure that even those personnel who only scored 30 points in the pre-test would be able to score 50 points (representing a 90% comprehension level) in the post-test. Those personnel that failed the test were required to undertake additional training until they could pass the test. As of March 2018, additional training at the Safety Dojo had been 100% completed.



Training flow



Training example



Hands-on safety drill in progress



## Safety awareness meeting

From 2017, YTMT implemented various safety activities aimed at building a safety culture rooted in employees' attitudes and awareness.

To help realize this goal, YTMT has provided a "Safety Awareness" training course, which enables employees to learn the basics of occupational health and safety, how different types of occupational accident are defined (for example, the distinction between minor accidents and serious accidents), and how to respond to the different types of incident. Trainees can also learn about the impact of the various types of loss that can affect us as a result of accidents (including direct loss and indirect loss). This type of training is very important for ensuring safe behavior by employees.

To enhance safety awareness in the workplace among all members of the organization, a training campaign has been implemented, and employees have been encouraged to participate.



safety awareness

The Yokohama Rubber Group engages in business on a global level, and communication is an important issue. YTMT offers a "working in English" training course so that employees who need to regularly communicate using English can improve their own language skills and correctly communicate in English with foreigners.

## Together with people with disabilities

The same number of employees with disabilities were working at YTMT in 2018 as 2017. These nine employees with disabilities continue to work at YTMT.

## Management of a good working environment

In 2018, we continued with our efforts to develop good working environments through the employment of the following means:

We promise to eliminate unfairness and comply with regulations. YTMT has defined corporate responsibility policies related to a corruption prevention policy, a code of conduct for employees, and ethics escalation policy (whistleblowing policy).

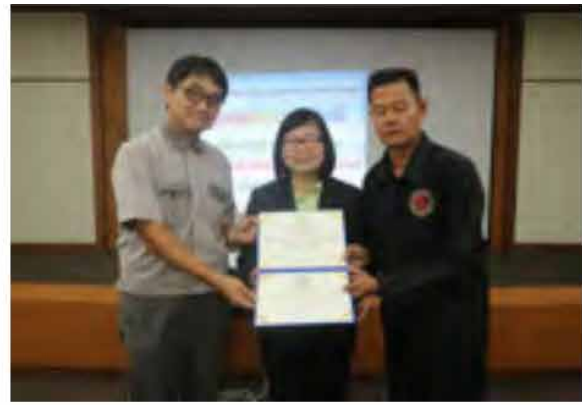


## Labor Relations and Welfare Award

YTMT participated in the Thai government's Labor Relations and Welfare Award program.

On December 19, 2018, YTMT managers and labor union representatives attended the award ceremony in the Eastern Seaboard Industrial Estate in Rayong Province.

A total of 1,024 business enterprises from all over Thailand – including 178 large enterprises – received awards in various categories. Of these firms, 50 were based in Rayong Province.



## Long vacation campaign

We are conducting a campaign that involves the distribution of sweets and flavored beverages, as well as the distribution of emergency contact details, in the hope that all employees will enjoy safe travel during long vacations.



## Communication

### Condolence visits to sick employees

We conduct condolence visits to sick employees in order to establish a good relationship between the company and employees.

We visited 20 employees during 2018. These activities encourage sick employees and lead to an early return to work.



### Employee trip activities

The labor union and the company's social welfare committee continued to jointly organize employee trip activities in 2018. These activities include team-building exercises, while in the afternoons employees are able to relax and enjoy sightseeing at beautiful tourist attractions.





## Birthday parties

Since 2014, we have been holding birthday parties for employees, with the aim of strengthening employee motivation while at the same time contributing to the enhancement of production activities. In 2017, we continued to hold birthday parties for employees during the lunch break, while making some slight changes to the activity content. At these parties, managers eat alongside employees.

The participation rate in 2018 increased slightly by approximately 2 percentage points to 80%, and similar to FY2017, 99.76% of employees expressed satisfaction with the system.



## The Environment

In 2018, the deployment of the environmental policy was revised through the addition of a scope for compliance with ISO14001:2015.

In order to comply with the environmental management system (ISO14001:2015), YTMT promises to apply it to work within the scope of the procurement of raw materials and the production of products and delivery of products to customers and to continue ongoing development and improvement in accordance with the principle of fair trade with society. We stress global-level strengths in technologies to satisfy stakeholders, value harmony with the environment, and protect the environment. The strategic policy for the environmental management system is as described below.

### Environmental policy

We aim to develop environmentally-friendly technologies while adhering to the principles of dealing fairly with society and fostering harmony with the environment.

1. Under the direction of top management, we will initiate environmentally friendly measures in all activities, and we will ensure that all of our products are environmentally friendly ones.
2. We will endeavor to strengthen communication with stakeholders and to make a positive contribution to local communities and to society as a whole.
3. We will implement ongoing environmental improvement measures, by strengthening our environmental management systems, alleviating the impact of our activities on the environment, preventing environmental pollution, and adopting a proactive approach towards reducing sensory nuisance.
4. We will comply with relevant laws, regulations and agreements, and we will strive to implement activities that contribute towards environmental improvement on an ongoing basis.
5. We will promote resource recycling aimed at helping to combat global warming, save energy, and foster the cyclical use of resources.
6. We will strive to help safeguard biodiversity and to ensure that the organic resources utilized in our business activities are used in a sustainable manner.
7. We will endeavor to build a harmonious, symbiotic relationship with the local community, and will aim to be an enterprise that is trusted by the local Community.

We will publicize this environmental policy and make sure that our employees are familiar with it.

## Energy strategy

1. We will introduce appropriate energy management systems as an integral part of company management, and revise these systems as appropriate; we will comply with energy-related laws and regulations.
2. We will establish goals and provide platforms for ensuring adherence to our target energy profile and energy use methods; we will communicate with the employees to ensure that they all understand these goals and platforms and participate correctly in related activities.
3. We will raise energy-saving awareness among employees at all levels; we will make it possible for all employees to participate proactively in energy-saving and energy management activities.
4. We will provide the necessary resources, personnel, budgets and working hours to support the provision of platforms for ongoing energy improvement, including the provision of necessary training for all employees.
5. We will implement improvements from an energy-saving perspective, while ensuring that this does not adversely affect the environment or productivity, and we will make energy efficiency a key requirement when purchasing buildings, products, machinery and equipment.
6. We will publicize our energy management systems, and we will collaborate with local communities and organizations that have concerns regarding energy management systems.
7. We will adjust our company's management systems to improve energy efficiency on an ongoing basis.

We have actively adopted environmental and energy-saving management that we have incorporated into improvements at the company and its plants.

The company became the first company in Thailand to acquire energy management system ISO 50001 certification in August 2011 in recognition of improvements in energy performance.



ISO 14001 Certificate



ISO 50001 Certificate

## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		2,241	2,277	2,545	2,512	2,625
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	27,187	27,911	27,791	20,339	15,065
	Fuel	11,402	9,986	10,088	15,065	12,324
	Total	38,589	37,897	37,878	35,560	27,389
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		81.5	74.3	74.3	69.0	72.8
Water usage (1,000m <sup>3</sup> )		622	639	661	621	609

※FY: January to December

※From FY2008 greenhouse gas emissions have been 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. From FY2016, calculation of emissions from overseas business locations has been based on the Greenhouse Gas Protocol (GHGP) Initiative.



## Chemical substance reporting

Limits on the special use of SVHC (substances of very high concern) spread to various countries around the world on November 18 (European REACH Regulations).

Yokohama Rubber plans to prohibit the use of SVHC on a global level in preparation for the extension of limits projected in the near future.

For this reason, we will investigate actual usage and consider eliminating the use of these substances.

The 10 SVHCs in the YTMT start target survey classified by YTMT are as follows.

1. Chalk: Marking compound used in the mixture process
2. GIP: Green tires were used in the BD process.
3. Silicone bladder spray
4. MP marking: Spray is used for the cap in the MP process.
5. UF mark: Used for hot stamps on products in the FN process with the UF&DB machine.
6. Blue paint: Used for products in the FN process.
7. UF fluid: Used in the paint marker for products.

It was not a substance that is a SVHC component after completion of the check.

Environmental field management activities (Envi-SFM) were started in 2018 in response to a customer request (Toyota).

The topics for which chemical substances management is necessary for are as follows.

- Prevention of leakage of chemical substances
- Use of chemical substances by YTMT
- Management of SOCs (substances of concern) and prohibited substances in products

A self-evaluation was performed in December 2018 as the first step. An action plan for improving items that donot conform will beset as the second step.

## Noise, vibration and odor

Responding to the concerns of local residents regarding odor issues, we have arranged for employees and security guards to carry out odor inspections in the vicinity of the plant, and we liaise with meetings local residents who are members of the local community association on a monthly basis. We have installed an odor prevention system that uses deodorizing wet scrubbing devices (scrubbers), and we undertake odor monitoring etc. in collaboration with the local community.

Employees made arrangements to conduct an investigation on the odor around the plant in response to concerns of local residents on the odor problem. A meeting is held with local residents who are members of the local community associations every month. In addition, automatic-recording precision meteorological instruments have been installed to monitor the following parameters.

- Wind direction
- Wind velocity
- Atmospheric pressure
- Humidity
- Temperature
- Rain

Weather monitoring to obtain reliable odor information helps to prevent external complaints on the environment related to odors.

## Minimizing the risk of environmental incidents

In 2018, we implemented the following measures at the Tire Test Center of Asia (TTCA), to ensure stable water quality in the wastewater treatment tanks.

Daily, weekly, and monthly continuous monitoring is strengthened to reduce the risk of problems occurring.



## Biodiversity conservation activities in 2018

From 2013 to 2017, we established biodiversity activity areas at offices, conducted ongoing monitoring on the status of habitats of all living creatures, and evaluated air and water quality.

At the end of 2017, biodiversity areas were opened during school visits, and we began to accept visits from the students of nearby schools. Learning activities were conducted a total of five times in 2018. These activities can provide students with knowledge of biological diversity.

Furthermore, an exhibition on safety and the environment was held for students around Amata City in cooperation with the Amata City Industrial Park and 20 other companies in Amata City. YTMT made it possible to learn the basics of biodiversity at one booth.

We will maintain and improve activities including biodiversity learning areas in the future.



## Fair Operating Practices

In fiscal 2018, we visited 71 local suppliers to confirm the current status of their activities. The findings obtained from these visits showed that YTMT has succeeded in building a good relationship with its suppliers, and that YTMT and its suppliers are working together to build a fair operating environment.



## Consumer Issues

In fiscal 2018, we continued to dedicate ourselves to the development and production of environmentally-friendly tire products.

YTMT released new BluEarth 707L tires for trucks and buses with new tread patterns.





Both the YTMT plant, which is our company's tire testing facility, and the Tire Test Center of Asia (TTCA), receive many visits from distributors and sales companies, providing us with opportunities to share our tire know-how. A total of 31 groups of visitors were received in 2018.

## Some of our visitors:

VIP guests from the Thai Industrial Standards Institute (TSI) of the Thai government visited our test course on August 8, 2018. A test method demo was conducted with the new UN/ ECE R117 pass-by-noise regulations related to the standards of the Automotive and Tyre Testing, Research and Innovation Centre (ATTRIC).

On November 20, 2018, Yokohama Rubber invited a total of 28 people from distributors in ASEAN countries to test ride event for ADVAN dB V552 and BluEarth ES32. The drive menu included confirmation of operability and wet performance.

On March 20, 2018, a group of approximately 14 people from distributors in the Middle East and Africa visited YTMT.

On November 29, 2018, approximately 29 logistics association members visited YTMT.

Besides visits from sales companies and distributors, we also welcome visits from university groups wishing to deepen their knowledge of tires.

In 2018, YTMT was visited by four university groups.



## A consumer-oriented approach

In 2018, we focused on implementing activities aimed at meeting our customers' needs and reducing internal quality-related incidents to zero. To realize these goals, we carried out two main activities relating to requests from the Yokohama Rubber Group and from a major customer.

### 1. Safety activity in collaboration with the Yokohama Rubber Group as a whole

After participating in the Yokohama Rubber Group's Safety Master project, we started molding process model activities (kiken-yochi (KY: hazard detection)) and near-miss incident and minor stoppage prevention activities in 2017. In FY2018, we expanded these activities to all processes and made ongoing improvements (KY4Round activities).

Small groups were created and plans and an evaluation by the leader group were set. These activities are followed up by an administrator every month.

We refer to near-miss incident and minor stoppage prevention activities as "Daily communication activities". The understanding of employees can be confirmed through this evaluation. The supervisor summarizes risk point data and corrective action (temporary and permanent prompt action within one day), and then sets plans for interviews with employees in the working area. The employees who participated in these activities were impressed because the progress of activities was according to plans and work to discover which activities overall would result in a reduction in accidents and not cause absences or a fatal accident.

To verify that these activities were being implemented on an ongoing basis, a group of auditors from Yokohama Rubber visited YTMT, and followed up on Yokohama Rubber Group's Safety Master project in September. Following this audit, YTMT has continued to implement activities aimed at maintaining safe production, focusing on employees' hazard awareness.

### 2. Safety activity in collaboration with a customer

This is an extremely important for us. We have set safety plans covering the entire range of relevant activities. In 2018, we focused on factory management safety mechanisms, fundamental rules for responding to problems with machinery, machine safety risk assessment, non-routine work by contractors (such as working at height and electric machinery), improvements in work instructions (non-routine operations), and fire-prevention systems. As a result, we were able to enhance safety awareness, improve the management of chemical substance storage, and realize improvements to workplace activities. An audit by the customer in question was completed in January 2019.

We will continue implementing all activities following this audit.





## Response to complaints

Information received from stakeholders regarding odors is quickly confirmed, an investigation is conducted to confirm whether the odor notified is an odor from YTMT, and the results are provided as feedback for confirmation by the community.

In 2018, YTMT received no complaints from stakeholders.

## Community Involvement and Development

### Community relationships

In 2018, we implemented 50 activities.

- Environment response activities, including the YOKOHAMA Forever Forest Project and planting instruction, biodiversity learning for students, and the release of fish: 15 cases
- Activities for strengthening relationships with the local community, including participation in local events, etc.: 19 cases
- Cultural conservation activities, including conservation of temples: 5 cases
- Social contribution activities, including volunteer activities and donations, etc.: 11 cases

### Environmental response activity

YTMT was one of 19 firms chosen out of 88 firms with factories in industrial parks to receive the highest level Platinum Award (Outstanding Performance Award) for waste management from the Industrial Estate Authority of Thailand.



### YOKOHAMA Forever Forest Project activities

YTMT achieved the Grand Design 100 (GD100) target for tree planting activities over ten years in September 2017. In 2018, YTMT expanded the total area by 300m<sup>2</sup> to plant 2,600 tree seedlings including tree planting by YTMT employees and students participating in biodiversity activities while continuing to maintain the 10th tree planting activity area.

There were plans to plant 5,250 trees in the general track area of approximately 470 m<sup>2</sup> to the west of TTCA, and ultimately 5,775 trees were planted.





## Work experience

As part of our education support activities, YTMT provides students with opportunities to acquire knowledge that will be useful to them in the future.

In 2018, a total of 16 students from 8 universities took part in this training.



## Recycling waste beverage containers

In 2018, YTMT employees donated a total of 120kg of waste beverage containers. After recycling and processing, the recycled material was used to construct roofs and walls for social housing built for low-income households. This recycling initiative also helped to reduce waste processing costs.



## Social contribution activities

In December 2018, YTMT cooperated with CSR volunteer activities in Amata City (a safety and environment learning rally), and YTMT provided knowledge on biodiversity to 168 students from three schools near Amata City.

TTCA made donations to the regional government organization Tasit, Khao Noi Temple, Rawerng School, and other government organizations 13 times in FY2018.



# Yokohama Rubber (Thailand) Co., Ltd. (YRTC)

## Business activities

Assembly and sale of oil pressure hoses for construction machinery

## Total site area

25,000 m<sup>2</sup>

## Number of employees

173 (as of November 2018)

## Location

Eastern Seaboard Industrial Estate, (Rayong) 64 Moo 4 TambolPluakdaeng, AmphurPluakdaengRayong 21140, THAILAND

## Contact for consultation and complaints

Tel: +66-38-954-625 Fax: +66-38-954-636



## Message from the President



Hiroaki Matsunaga

Yokohama Rubber (Thailand) Co., Ltd. Was established in 1996 in the Eastern Seaboard Industrial Estate, located 100 km southeast of Suvarnabhumi International Airport, a metropolitan airport in Thailand that has been in operation for 22 years. Around the Industrial Estate, pineapple, mango and durian fields are scattered, indigenous products of Thailand, and it is a place of a beautiful natural environment. Now, Yokohama Rubber (Thailand) Co., Ltd. manufactures high-pressure hoses for construction machines, hydraulic hose pipes and Teflon hose pipes for automobiles, wind sealant materials for automobiles and sells to mainly ASEAN countries and India. In particular, in Thailand, we maintain a large share of high-pressure hoses for construction machines and wind sealant materials for automobiles. As the surroundings of the Industrial Estate comprise an agricultural area, the Industrial Estate is required to have stricter standards for air and water quality than national standards and the Plant meets these standards. For maintaining safety, environment and quality, Yokohama Rubber (Thailand) Co., Ltd. holds OHSAS 18001, ISO 14001, ISO 9001, ISO/TS 16949 and JISQ 50001 certifications and continues to acquire them.

## Organizational Governance

Yokohama Rubber (Thailand) Co., Ltd. has translated into Thai materials that were extracted from materials originally developed for the employees of Yokohama Rubber (YRC). They are now being used for educational purposes in the company's various workplaces. All employees have also received training regarding the prevention of power harassment in the workplace and fraudulent practices being engaged in when having dealings with external parties.



## Human Rights

Our company regulations set out the age at which recruitment of labor and work are possible. We use these provisions within the company regulations to educate our employees.

As of November, 2018, we have a workforce of 173 people (comprising 4 Japanese expatriate staff, 2 Thai directors, and 167 Thai employees). By gender, there are 130 males and 37 females. In total, we have 20 management class staff. By gender, there are 14 males (3 Japanese, 11 Thais) and 6 females (6 Thais).

One of these employees (a female member of staff) has a handicap.

## Labor Practices

There is a mechanism that enables workers to place complaints and suggestions in the "President's suggestion box." Only the president can browse this, and so enables employees to make proposals to the president directly.

## Education and Training

In following the annual plan, at the Plant evacuation training has been conducted in preparation for if a disaster should occur.

Employees also carry out firefighting drills at a facility located within the Eastern Seaboard Industrial Estate.

## The Environment

## Environmental management

An environment meeting is held once a month where matters are followed up regarding the progress of activities. One participant is drawn from each workplace, and they act as a member of the environment meeting.

## Environmental policies



## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		368	348	413	326	334
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Landfill waste (t)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	377	421	406	380	456
	Fuel	124	117	114	116	113
	Total	501	539	520	496	570
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		1.1	1.1	1.1	1.0	1.2
Water usage (1,000m <sup>3</sup> )		10.5	11.5	7.3	6.5	8.7

※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 2015 has been based on the Greenhouse Gas Protocol Initiative.

## Fair Operating Practices

To maintain Fair Operating Practices, the Yokohama Rubber Code of Conduct was translated into Thai and distributed to all employees.

Using the English language version of the summary that was published by CSR, following the education of the company's Thai management class staff, steps are being taken to thoroughly disseminate the necessary information within each workplace.

## Consumer Issues

We hold in-house quality improvement meetings once a month.

Further, we share problems at the monthly management meeting, and discuss and determine methods for improvement.

## Community Involvement and Development

To assist facilities that accommodate sick and disabled children, the company annually makes donations to the local community in the form of money and goods. In May 2018, we donated funds and essential commodities to MakutKiriwan School, a school for the visually impaired in KhaoYai, Nakhon Ratchasima Province, which is located in the northeast part of Thailand.



A visit to the school for the visually impaired

In June 2019, we visited a school in Kanchanaburi to make a donation and to interact with the children. This school accepts children who are unable to attend school due to poverty or who have been removed from abusive situations. The children learn while being self-sufficient in nature. YRTC donated 20,000 baht to the school.



[Website](#)





Handing the list of donations



Interaction with the children at school

Regarding interaction with the local community, we participated in an environmental event at the Eastern Seaboard Industrial Estate to take part in the stocking of fish in the pond on the estate as well as planting (Sustainable Reforestation Project).



Stocking of fish



Sustainable Reforestation Project (planting)



## Y.T. Rubber Co., Ltd. (YTRC)

### Business activities

Processing of natural rubber

### Total site area

250,000 m<sup>2</sup>

### Number of employees

248 (as of the end of December 2018)

### Location

51/2 Moo. 1 Tambon Tha Sa Thorn, Amphur. Phunphin, Suratthani 84130, Thailand

### Contact for consultation and complaints

Tel: +66-81-893-1881 Fax: +66-87-893-1118

E-mail: [ytrc\\_envi@ytrc.co.th](mailto:ytrc_envi@ytrc.co.th)



## Message from the General Manager



Noboru Takita

YT Rubber (YTRC) was established in 2008 in Thailand's southern province of Suratthani, which is situated on the eastern side of the northern Malay Peninsula approximately 600 kilometers south of Bangkok.

The nation's total annual production of natural rubber is approximately 4.5 million tons (making it the number one producer in the world), of which roughly 60% is produced in Thailand's south. The plant's immediate vicinity is dominated by rubber plantations and a few groves of palm. The region also boasts extensive tropical rainforests and a bountiful natural environment.

YTRC currently procures and processes raw rubber materials and provides them as high-performance natural rubber products for Yokohama Rubber Group tire production sites both within Thailand and in locations worldwide including Japan, the US, China, Russia, the Philippines, and India, etc.

As a member of the Yokohama Rubber Group and based on the policy of being a business that contributes to the environment, the company has acquired ISO 9001 and ISO 14001 certification, recycles plant wastewater (zero external emissions), and it conducts operations based on coexistence with the natural environment and local residents.

## Organizational Governance

The company's employees are from Thailand and Myanmar and we distribute compliance cards in their respective languages in an effort to promote an awareness of compliance.

Global Compliance study meetings are held a number of times annually, and through them compliance levels are increasing.





Compliance cards in the Thai and Burmese languages

## Human Rights

### Interactions between employees

We aim to encourage interactions, cross-cultural exchanges, and friendship between Thais, Burmese, and Japanese employees in various situations including events based on Thai Buddhist culture, birthdays, year-end parties, and employee weddings.



A birthday message board



Prayers at a temple on a birthday



A Songkran event

## Labor Practices

### Activities for protecting safety and health

Because in our industry work is conducted throughout the year in high-temperature conditions, some competitor companies allow employees to work while only wearing lightweight clothing. At YTRC, however, we actively foster work-safety awareness by enforcing a policy that protective equipment must always be worn when undertaking any tasks for which there exists a possibility of injury.

We also actively participate in drug eradication campaigns led by the government and work to maintain the health and healthy living environments of employees.

We follow the laws concerning medical insurance and regular health checkups, and equal working conditions for both Thais and Burmese, with no discrimination based on ethnicity.



The chanting of safety slogans prior to commencing work



Firefighting drill



Rescue training



First aid training

## The Environment

### Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		18	46	21	22	25
Proportion sent to landfill (%)		2.9	0.0	0.0	0.0	0.0
Landfill waste (t)		0.53	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	1,570	1,523	1,670	1,603	1,761
	Fuel	870	865	1,026	1,019	1,135
	Total	2,440	2,388	2,696	2,622	2,896
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		5.5	5.5	5.7	5.5	6.1
Water usage (1,000m <sup>3</sup> )		—	13.1	23.0	104.3	49.1

※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 FY2016 has been based on the Greenhouse Gas Protocol Initiative.

※Since FY2017, the water usage calculations have also included the compiling of rainwater figures.

### Energy-saving activities

An electricity and LPG consumption reduction team has been established, and information about daily electricity and LPG consumption, improvement activities and the progress of improvements is posted. By enlightening our employees, we are working to improve energy-saving activities.



### Biodiversity preservation activities

We are continuing with preservation activities such as surveying the lifeforms on the pondage on the company grounds and the adjacent Tappi River.

In fiscal 2016, we examined 272 wild birds, of which there were 19 species, and 1,290 fish, of which there were seven species.

Further, we planted trees around the pondage and protected the banks, and started to provide a pleasant living environment for the birds and fish. As a result, we now see many wild birds every day.





A Green Wave activity (planting seedlings at a local elementary school)



Wild birds flying in



A Safety, Environment, Energy (SEE) activity



A biodiversity survey of birds (part of the company's biodiversity protection activities)



A biodiversity survey at a pond (part of the company's biodiversity protection activities)



A biodiversity survey as part of Forever Forest Project (part of the company's biodiversity protection activities)

## Fair Operating Practices

We regularly visit existing raw materials suppliers in order to maintain and strengthen relationships while providing explanations on our CSR philosophy in order to deepen the level of understanding.

### Promoting agroforestry farming

Agroforestry farming is a form of mixed cultivation. By growing various crops within rubber plantations through utilizing the spacing between the planted rubber trees, small-scale farmers (smallholders) can develop an additional stable income source by being able to harvest and sell produce, etc.

By promoting the adoption of agroforestry farming practices, at YTRC we are working to stabilize the businesses and livelihoods of smallholders. We are also helping to maintain the region's natural biodiversity and to protect its forests. Furthermore, we are cooperating with university specialists who are researching agroforestry farming practices, and supplying saplings to an experimental plantation that is being run by YTRC.



The receiving of a raw material supplier award



A visit to the raw material supplier



A study meeting to which farmers were invited (on the subject of agroforestry practices)

## Consumer Issues

Quality is managed in accordance with ISO 9001 standards, and we are moving forward with improvements based on measures that seek to investigate the root causes of quality information received from users.



ISO 9001 audit



ISO 14001 audit

## Community Involvement and Development

We participate in monthly meetings with the local community to exchange opinions on the environment and the company's initiatives and deepen the level of understanding towards the company's activities. In addition, we also participate in meetings with nearby businesses and public institutions (schools, hospitals, and temples) to exchange information and participate in donation activities in order to cooperate with the development of the region.



Participating in a drive for blood donations



Onsite repairs being carried out by members of the company's maintenance staff



The receiving of a restroom cleaning award



A regular meeting conducted with local companies



Participating in a soccer competition with local companies



# Yokohama Industrial Products Asia-Pacific Pte. Ltd. (YIPAP)

## Business activities

Sale and marketing of industrial rubber products and provision of technical support for such products in Asia Pacific region

## Number of employees

7 (as of December 2018)

## Location

1 Tampines Central 5, #07-10 CPF Tampines Building

## Contact for consultation and complaints

Tel: +65-6587-7190 Fax: +65-6260-4394



## Message from the President



Tatsuo Haruyama

I was posted to this position in February 2019. The company was established in May 2013, and is based in Singapore, where we sell industrial products (marine hoses, pneumatic fenders, and conveyor belts) and hydraulic hoses to ASEAN countries, India, and Oceania. Our customers are many and varied, from state-run companies and major oil and resources corporations to medium and small-sized businesses active in a close-knit region. Our daily activities are to strive to always deliver high-quality products in as timely a manner as possible to all of our customers, no matter what their size.



Conveyor belts



Marine hoses



High-pressure hoses



Fenders

## Organizational Governance

### External audits by accounting auditors

We receive accounting audits from a major accounting auditor and conduct disclosure of audited financial data through the competent authorities.

We have also introduced systems to prevent information leakage.

## Human Rights

### Promoting employee diversity

In Singapore, a country comprised of a complex ethnic mix of people, it is prohibited to discriminate based on race, religion or gender, so recruitment practices strictly follow the same policy.

One of our three managers is a lady who has been promoted purely based on her skill.

## Labor Practices

### Securing employee safety

There is a high degree of mobility among the human resources of Singapore. However, we are trying to establish a good workplace environment and good benefits so that employees will continue working with us for the long-term.

As we also serve regions where public order is unstable, our sales staff carry emergency ID cards and are protected by various kinds of insurance. In addition, prior to implementing offshore technical support activities, our employees take survival training.

When the haze (air pollution) appears, masks are provided to protect employee health and appropriate work regulations will be activated.

In addition to health checks paid for by the company, we are enrolled in health insurance so that we can receive general health care even though Singapore does not have health insurance.



## The Environment

### Environmental management

As Singapore has a hot climate throughout the year, we encourage our employees to dress in light attire to save electricity consumption for air conditioning, in a similar style to Japan's "cool biz" (cool business) trend. Also, we implement power saving thoroughly with respect to office automation equipment and lighting.

We have decided not to have company cars, and our employees use public transport as much as possible to reduce CO<sub>2</sub> emissions.

We mainly use electricity, and the amount used in fiscal 2018 was 6,621 kWh.

### Environmental data

Category	FY2014	FY2015	FY2016	FY2017	FY2018
Electricity consumption (kWh)	—	—	—	6,375	6,621

## Fair Operating Practices

### Promoting fair business practices

We do business directly or indirectly with many state-owned enterprises including energy companies and we strictly comply with international rules for bribery-prevention.

Contact with competitors is strictly prohibited for any reason as we trade in a fully transparent manner.

## Consumer Issues

### Communication with customers

In addition to being a sales company, we fulfill the role of being an aftersales support base.

As our products play important roles in the business activities of our customers, we visit customers periodically to carry out field inspection and to conduct seminars for Yokohama Rubber products in order to promote correct usage.



Marine hose technology seminar



## Community Involvement and Development

### Contributing to the local community

Continuing from 2017, in 2018 we once again sponsored events to support children suffering from hydrocephalus and their families.



Charity event (in the Philippines)





# Yokohama India Pvt. Ltd. (YIN)

## Business activities

Manufacture and sales of tires for passenger cars

## Total site area

99,923 m<sup>2</sup> (head office and plant)

## Number of employees

488 (as of December 2018)

## Location

Plot No.1, Sector 4B, Bahadurgarh Industrial Estate, HSIDC Bahadurgarh, Dist – Jhajjar, Haryana 124507 India (head office and plant)

## Contact for consultation and complaints

Environment Health & Safety Dept.

TEL: +91-1276-662200 FAX: +91-1276-662000



## Message from the President



Kazuya Miyazawa

We established a tire sales company for the Indian market in 2007 in line with Yokohama Rubber's midterm management plan (GD100), and started selling imported tires, and then began operating a production plant in 2014.

Currently, India has the second largest population in the world, and it is said that India will become No. 1 in a few more years, so motorization continues to grow at a rate of over 10% annually.

Satisfying performance requirements and ensuring reliable quality is becoming increasingly important for tires, which are an important component of automobiles. Meanwhile, concern for the environment is also important, and we are expanding product development, marketing, and production with the aims of using materials with low environmental impact when procuring raw materials, and making use of their characteristics to manufacture tires using the minimum energy required, as well as working to eliminate transportation-related waste in relation to our logistics and sales activities through the optimal positioning of logistics centers, etc., so as to reduce the environmental footprint of all of our activities: production, new product launch, logistics, and sales.

We have obtained OHSAS 18001 certification, and we are on course to upgrade to ISO 45001 in FY 2019.

We determine specific objectives every year centered on our management system, and are continuously making improvements and promoting improvement activities with the participation of all employees.

As regards efforts to help safeguard the environment, in 2016 we started tree-planting activities as a "Yokohama Forever Forest Project" with the aims of reducing CO<sub>2</sub> and fostering good communications with the local community. The tree planting conforms to the Miyawaki method of forestry, and we have been inviting government officers, residents, and students and teachers from nearby schools to participate in this project with the aim of strengthening our ties with the local community through this activity.

As part of our contribution to the local community, we also undertake street-cleaning activities and awareness-raising activities, which are implemented in collaboration with the local government authorities and with local residents. In the future, we will continue to keep in the forefront of our minds the aim of being trusted by everyone in the local community, and of being a company that can take pride in itself.

# Organizational Governance

## Organization and system reviews

We operate our organization with the aim of making an integrated production and sales group with good teamwork. We started as a tire sales company in 2007, and since starting to operate a tire factory in 2014, the head office and factory organizations were separated, but we established a new HR & General Affairs department in 2016. In 2018, we relocated the company's head office to within the factory grounds, and also adopted a new management and supervisory system that makes more extensive use of locally-recruited Indian managers, which has facilitated the development of the company as an organization that demonstrates both cohesion and rapid implementation.

To support this transformation, the company's standard operating procedures and the rules governing delegation of authority are revised on a regular basis, and the personnel system is being overhauled, etc.

We are also endeavoring to respond to compliance risk by placing restrictions on the exercise of authority, establishing an internal reporting system, etc.

To strengthen employees' awareness of the importance of compliance with relevant laws and regulations, employees are familiarized with compliance requirements through compliance education when joining the company, and through periodic education thereafter.

# Human Rights

## Equal employment opportunities

With regard to the recruitment, assignment and evaluation of employees, we do not discriminate on the basis of ethnicity, religion, sex, age, etc., and we employ people fairly and consistently without any prejudice, in accordance with the company policy.

We endeavor to ensure that all YIN employees are fully familiar with this policy, through education at the time of joining the company, and through periodic refresher training.

We also have a clear policy in place regarding unethical behavior and harassment in the workplace.

Our systems relating to the taking of disciplinary action against employees, handling of grievances, lodging of complaints etc. are implemented fairly in accordance with the Employee Code of Conduct, which specifies clear standards and procedures.

# Labor Practices

## Occupational safety and health

### Basic Philosophy of Safety and Health

Safety and health are the basis of every operation and we aim to prevent occupational accidents while building up comfortable workplaces.

### Basic Policies

1. We shall prioritize the safety of each and every worker in all things, and improve safety activities based on the participation, actions, and cooperation of all employment ranks and management.
2. We shall apply surely and certainly all laws and administrative policies regarding safety and health.
3. We shall teach workers the importance of safety and health, and implement the necessary education and training.
4. We shall strengthen liaison with the relevant cooperating companies to assure the safety and health of all people involved in work activities.
5. We shall circulate PDCA and plan continuous improvements to eliminate hidden dangers involving work and equipment using the work safety and health management system.
6. We shall thoroughly inculcate 2S based on the idea that "ship-shape and Bristol fashion is the basis of safety and health."
7. We shall promote the creation of a pleasant workplace to enable working with peace of mind, and actively support the formation of both healthy mind and body.
8. We shall participate in preventing traffic accidents as a company that plays a role in the automobile manufacturing industry.



Safety and health is a fundamental aspect of working conditions, and we continue to prioritize this issue.

We are rolling out activities such as risk management activities, essential equipment safety activities, etc., from the four perspectives of people, systems, equipment, and management, based on the OHSAS 18001 occupational health and safety management system.



## Making hands-on training and rules visible

We are building up people who feel the dangers as danger by using a hands-on training dojo through creating an awareness that everyone is responsible for their own protection and the everyone protects the safety of others. In fiscal 2018, we continued to implement annual training for all employees, including new hires.

## Safety month

Every March is safety month, and on "World Safety Day" our factory chief makes a safety declaration and safety vow, and does the rounds of the factory calling out "safety first!" with all the staff; in addition, a safety education quiz is implemented, with the aim of raising safety awareness.



Safety quiz and safety education



Safety declaration



We implemented education and firefighting training to ensure work safety. 32 points where improvements were needed were pointed out during our environmental safety patrols, which were all remedied. Furthermore, the employees created safety slogans, safety quizzes, and safety posters, with commendations being given for the best works, as activities to improve employee awareness.



Commendation ceremony

By conducting fire-fighting training and evacuation training on a regular basis, and by implementing evacuation training without advance notice on an occasional basis, the company ensures readiness in the event of an emergency, and is also able to identify problems and make improvements.



Fire-fighting training

## The Environment

### Environmental management

#### Environmental Policies

We acquired ISO 14001 certification to continuously improve our environmental management and upgraded it to ISO 14001:2015 in July 2017.

In 2019, we are planning to transition to ISO 45001, which has been integrated with OHSAS.

1. We implement policies that consider the environment in all fields of activity.
2. We respect international regulations, and strive to contribute to the local community and society.
3. We continuously promote environmental improvements by reinforcing our environmental management system, preventing environmental and sensory pollution and reduce our environmental impact using initiative management.
4. We respect the relevant legal regulations and pacts, etc., and act continuously to improve the environment.
5. We promote the prevention of global warming, energy reduction, resource saving, and resource recycling to achieve a recycling, low-carbon society.
6. We strive to preserve biodiversity and to realize the sustainable use of bio-resources through our work activities.
7. We promote local harmony and value the local community, and aim to be a company that contributes to the environment and that is trusted by the local community.



ISO 14001 Certificate



## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		—	—	112	169	187
Proportion sent to landfill (%)		—	—	0.0	0.0	0.0
Landfill waste (t)		—	—	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	—	—	1,375	1,515	2,010
	Fuel	—	—	1,747	1,690	1,499
	Total	—	—	3,123	3,205	3,508
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	—	9.7	10.0	11.0
Water usage (1,000m <sup>3</sup> )		—	—	30.2	35.5	32.9

※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 2015 has been based on the Greenhouse Gas Protocol Initiative.

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

For handling of hazardous materials, we conduct operation and management in accordance with the content provided for manual of storage and handling (including in case of emergency) by substance.

While conducting periodic confirmation based on the management system, there has been no occurrence of accidents.

## Noise, vibration and odor

We implement monitoring once a month, and have set self-management items in addition to those that are legally required, as well as self-management values; we report these at meetings of our environmental committee, and discuss ways to make further improvements.

## Minimizing environmental accidents and risk

### Leak Zero activities

As part of safety activities (that do not require the stopping of equipment) and energy-saving activities as well, we conduct "no leak" procedures for water, steam, oil and air sources (= Leak Zero activities).

These activities are linked to continuous improvement activities such as reducing the use of resources through insulation, etc.

## Environment month

Every June is environment month, and employees create environmental slogans, environmental quizzes, and environmental posters, and the best works receive awards to improve employee mindfulness.

## Fair Operating Practices

When the tire factory first began operation, the percentage of raw materials that were sourced locally was approximately 40%. Since then, we have made a concerted effort to change over to using local suppliers, and by 2018 the share of raw materials sourced locally had risen to 70%. Through this change, we are aiming to reduce transportation loss and improve the stability of materials supply.

## Consumer Issues

We started manufacturing the environmentally-friendly product Earth-1 in 2014. The state of India's roads is poor, and potholes mean that the tire damage rate is high, so the redevelopment of specific tires has been highly regarded as supplying customers with an improved product.

### Response to complaints

Information received from stakeholders is quickly deployed throughout the company based on the manual and analysis and countermeasures are established to answer and respond to customers.

## Community Involvement and Development

### Relationship with the local societies

In FY 2018, following on from the previous year, our major activities were planting trees in the neighboring areas and performing a local cleanup activity as part of the Yokohama Forever Forest Activities.

### Yokohama Forever Forest Activities

In the area where trees were planted on the plant premises in 2016 and 2017, we have regularly been watering them and recording their growth. We raise seedlings on the plant premises and participate in planting activities using those seedlings and provide them to neighboring areas.



Third round of tree-planting



Carrying on from 2017, we also conducted a community tree-planting activity in August in collaboration with local residents in 2018. A group of 120 local residents and YIN employees, etc. planted a total of 540 saplings.



Community tree-planting activity

### Community clean-up activity

YIN employees carried out a clean-up activity on the roads near the factory, an activity which also helped to spread the environmental message.





Clean-up activity

We have also been conducting similar road-cleaning activities in nearby communities, and we will continue to implement these activities, which can help to strengthen environmental awareness.

# ATC Tires Private Ltd. Tirunelveli Plant (ATG-TN)

## Business activities

Manufacturing of Agricultural, Forestry, Construction, Industrial and OTR tires

## Total site area

47.04 ha

## Number of employees

2,241 (as of December 2018; includes contracted laborers)

## Location

Sipcot SEZ, A-2, Sipcot Industrial Growth Centre, Gangaikondan, Dist. Tirunelveli, Tamil Nadu – 627 352, India

## Contact for consultation and complaints

Human Resources and Administration Dept.

Tel: +91-46-2398-7312 Fax: +91-46-2398-7399

## Message from the President



PN Rajendran

- In establishing high standards which have as their top priority environmental, health and safety policies, we are focusing upon developing a culture that is capable of achieving sustainable and reliable performance.
- Throughout our entire product range, we manufacture extremely cost-effective and high-quality tires. Accordingly, we are well regarded by our customers around the world.
- By greatly reducing development timelines for new products, we provide our customers with new products that can act as additional sources of sales and profitability.
- To make the company's total employee involvement CSR program effective, by conducting Continuous Maintenance Program, we can deliver a great driving force to help resolve all our improvement targets.

• In undertaking our business activities, as a company we are committed to complying with all local laws and regulations.

• To draw on and utilize the experience and expert knowledge of YRC, we are proactively receiving both the support and cooperation of the YRC management team. What is more, we are proactively learning and employing YRC best practices for manufacturing sites, and in doing so we are strengthening both our own manufacturing processes and the performance of our products.



## Organizational Governance

### Code of Conduct

In keeping with the ATC core values, this company undertakes suitable business activities with an emphasis being placed upon value creation. To achieve the organizational objectives which we base upon such behavior, we remain committed to superior levels of corporate governance while managing our business.

This policy covers various fields such as compliance with applicable laws and responsibilities to shareholders, etc.

### Schedule of Authority (SOA)

Through the SOA published in July 2014, and subsequently revised on two occasions (in May of 2017 and in January of 2018), we are clarifying a range of decision-making rights within our organization.

Using Legatrix, an online legal tool, we have been promoting and undertaking surveillance activities for the purpose of having our compliance functions within the company operate correctly.

### Organizational Structures & Standard Operating Procedures (SOP)

In order to improve the corporate reporting system, we review our organizational system every quarter. Furthermore, each department has its own SOP to assure the maintenance of consistent product quality.

### Employee handbook

An "employee handbook" setting out all the company's policies relating to its employees was made public in November of 2016. It was subsequently revised on two occasions (on July 27 of 2017, and on January 10 of 2018). Everybody who we employ is thus notified as to policy details. Employees are also given an overview of the company's processes and their advantages.

### Usage of mobile devices

Policies covering both the usage and connection of mobile handsets and devices were included in the employee handbook on October 4 of 2017.

### Whistleblower policy

Concerning the company's whistleblower policy, in addition to it acting to protect employees from unethical business practices, we have put in place our "Vigil System" to provide for the reporting of real concerns and complaints. Furthermore, regarding both the basic principles of the company's business and the reporting of any habitual practices, such matters are processed using methods that are fair and unprejudiced as is regulated by the corporate laws of 2013 and company rules 177 (9) and (10) from 2014.

All the company's policies are published on the intranet portal that acts as an in-house communications server, and through that channel all employees are made aware of their details.

## Human Rights

### Preventing sexual harassment

Our "Sexual Harassment Prevention Policy" is the result of considerable hard work on the part of ATC India Pvt. The aim of this Policy is to provide employees with a workplace that is free from sexual harassment, intimidation, and exploitation. The objectives outlined in the Policy are to protect all employees in the specified workplaces from the misery of sexual harassment, and provide assistance in cases where it has been experienced, as well as protecting employees from related problems.

In order to raise awareness among all of the company's employees, sexual harassment prevention training is being implemented in individual workplaces in line with the Policy.

The company has established an Internal Complaints Committee which is responsible for the following matters:

- Investigating all formal complaints of sexual harassment.
- Implementing appropriate corrective measures in relation to reports of sexual harassment.
- Combating and preventing employment-related sexual harassment.

The company's corporate values, which are outlined below, offer assurance that the proper approach will be adopted in all of our business activities:

**"Fidelity":**

The company will maintain fairness in its dealings with all stakeholders, and it will always act in an appropriate manner.

**"Responsibility to explain":**

The company recognizes the need for accountability in all of our actions, and in relation to all of our responsibilities.

The company's Code of Conduct includes the following stipulations relating to discrimination and harassment: The company shall maintain a workplace environment in which every employee is protected from discrimination or harassment based on race, gender, nationality, age, religious affiliation, sexual orientation, genetic information, sexual preferences, disability, or other aspect of the employee's status or personal characteristics that is protected by law, and in which every employee is able to maximize their potential.

## **Labor Practices**

### **Quality, Environment, Health and Safety (QEHS) Policy**

ATC Tires Pvt Ltd, which is a company engaged in the manufacturing of off-the-road (OTR) tires, is committed to the creation, maintenance and assurance of product quality, health and safety, and environmental protection, for all of the people and businesses with which the company is involved. This stance is a vital element in our planning and decision-making, and it is embodied in the following items.

- **In carrying on our business activities, we demonstrate respect and care for our customers, people in general, and the environment.**
- **By manufacturing and providing products that meet our customers' needs, we realize customer satisfaction.**
- **We meet product quality requirements.**
- **We ensure the health and safety of all of the company's stakeholders in our workplaces.**
- **We fulfil our legal compliance responsibilities in relation to environmental risks and occupational health and safety risks.**

To this end, we realize the following items:

- We safeguard the environment by ensuring efficient utilization of resources (through recycling, etc.) and through pollution prevention, and we use new technologies etc. to properly manage emissions from production processes.
- To protect against injuries and illnesses resulting from occupational health and safety incidents, we ensure that appropriate systems and processes are put in place for all employees.
- We make use of a variety of different forums to promote dialog with all of our stakeholders in regard to quality, health and safety, and environmental performance.
- We make efforts to conserve biodiversity in our business activities.
- We implement ongoing improvements in regard to the effectiveness of our integrated management systems and their performance.
- We shall disclose this policy to stakeholders.





Safety Week



## Code of Conduct

Our company strives to provide a safe, healthy workplace environment in all regions.

Each and every workplace is operated according to the health and safety requirements of all applicable regions, states, and countries, and there is a requirement that workers not be under the influence of illegal drugs, alcohol, or other illegal substances. All employees have a responsibility to support the maintenance of a safe and healthy workplace by obeying applicable laws and codes of conduct.

Additionally, a handbook for employees on safety and first-aid measures has been developed and distributed. A safety guide has also been prepared for visitors and it is given to all outsiders who happen to come to the plant

## Social Security and Health Insurance

Our company provides employees with social assurance coverage and medical/injury insurance such as PF, ESIC, Gratuity, and Group Personal Accident Insurance, etc.

As a senior level resource, we undertake to oversee and ensure occupational health and safety activities.

## Collective bargaining wage agreement

In October 2018, a collective bargaining agreement was signed with the labor union. As a Long-Term Settlement, an agreement was concluded that covered the issues of labor wages, efficiency, output, welfare matters and the conferring of bonuses.

## Celebration of festivals

The company celebrates events such as Independence Day (August 15), Republic Day (January 26), Safety Week, World Environment Day, Holi, Diwali, Pongal and AyudhaPooja, etc. On such days, all employees participate in celebrations, and through such events their teamwork is developed, and their motivation heightened.



Republic Day Celebration



Ayudha Pooja Celebration



## Training

In handling both employee needs and business needs in terms of having our workforce respond correctly, the company undertakes to conduct activity, general and technical training.

- We planned and completed an annual training program that involved 15 types of one-day training program (carried out in conjunction with both internal and external instructors)
- The training plan covered all the work teams in the plant, and it was made up of individual programs that dealt with the topics of safety, the environment, quality, behavior and skills.
- Roughly 250 participants made up of members of staff and worksite employees took part in in-house programs that covered a range of topics including organizing and tidying workplaces, operating PCs (Microsoft Excel), dealing with product faults, and resolving instances of trouble, etc.
- The average hours of training undertaken in 2018 amounted to 14.8 hours per employee.



Training

We undertake the following additional measures:

- Visit of condolence to deceased employees.
- A staff canteen facility is provided for plant employees.
- Transportation (buses) is provided for all employees on all shifts.
- 5S audits are conducted each month. 5S programs are carried out throughout the plant, with the plant itself divided into 31 specific zones.
- We have started a Kaizen Corner on December 14 of 2016. It displays ongoing kaizen efforts with respect to individual issues concerning safety, the environment, quality, distribution and cost. It also highlights continuous Kaizen activities and employee consciousness (morale levels, etc.). Since November of 2017, all employees who have participated in kaizen activities have received certificates in recognition of their efforts and their desire.



## The Environment



ISO14001 Certificate

## Environmental data

Category		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Waste generated (t)		—	—	1,060	1,340	3,119
Proportion sent to landfill (%)		—	—	—	—	0.08
Landfill waste (t)		—	—	—	—	2.5
Energy consumption	Coal consumption (kt)	—	—	26,838	35,171	44,146
	Electricity consumption (Mwh)	—	—	41,413	43,400	47,636
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	—	—	—	130
Water usage (1,000m <sup>3</sup> )		—	—	325	333	340

※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.

In December of 2017 and January of 2018, the company constructed a biogas plant (capable of processing 250 kilograms of biomatter a day). From the 90 to 110 kilograms of food leftovers and vegetable scraps generated by the canteen facility daily, biogas is created. That resource is now used to power the biogas stove used for cooking in the canteen.

Within the plant grounds, we have started to plant seedlings. Under the direction of Professor Fujiwara, at the first Forever Forest Project plantings on August 18 of 2017, we managed to plant some 4,927 seedlings within an area of 117 meters. The plantings were done in accordance with the Miyawaki Method. In the future, we will plant an additional 500 seedlings each month.

In fiscal 2018, we held the tree-planting event with local children.



Forever Forest Project



## Fair Operating Practices

### Code of conduct to regulate fair competition and trade

The tire business is a competitive industry. Nevertheless, at this company we are entirely committed to behaving in a manner that supports fair competition and business dealings.

All our employees are required to act ethically, and to communicate frankly and honestly. We act fairly in all our dealings with colleagues, managers, customers, suppliers, consultants, and government officials (both domestically and overseas).

## Community Involvement and Development

### Social contribution activities

We engage in the following activities:

- A program was held in support of female employment; it was undertaken for the purpose of helping improve lifestyle habits and fostering the development of female entrepreneurs. The initiative itself consisted of a free sewing course for the benefit of local women.
- We have constructed public toilets in local villages.
- In responding to the wishes of a local public elementary school, we constructed a stage. We also donated furniture, water tanks and a water purifier.



Furniture



Water purifier

- We helped construct and repair the walls and the toilets of a local public elementary school. For a smart class, we also donated sporting equipment and computers.
- In participating in a regional government human resources development program (Swachh Bharat Mission) we constructed Individual Household Latrines (IHHLs) at a village home training center.





## Children's Day celebrations

We have donated sets of stationary, etc. to local children.



## Project to supply local villages with rainwater

For the purpose of supplying good-quality water to the local area, we are undertaking a project to gather and manage rainwater, and then to make it usable to local villages.



# ATC Tires Private Ltd. Dahej Plant (Gujarat)

## Business activities

Manufacturing and marketing of Agricultural, Forestry, Construction, Industrial and OTR tires

## Total site area

434,605 m<sup>2</sup>

## Number of employees

1,347 (as of December 2018; includes contracted laborers)

## Location

D-3-23 & 23-A, GIDC, Phase-III, Industrial Estate, Dahej, Village, Samontpore, Taluka-Vagra, Distt: Bharuch, Gujarat – 392130. (India)

## Contact for consultation and complaints

Human Resources and Administration Dept.

Tel: +91-90-8080-7463



## Message from the President



Amberish Shinde

The Dahej Plant team is comprised of a group of extremely motivated young specialists. Thus, we take great care to effectively maintain very high standards with respect to issues of safety, the environment, quality and deliveries. By placing a great importance on our customers, we also carefully cultivate a high level of morale among our workforce.

We are aiming to become a zero emissions plant. What is more, in undertaking our business activities, as a company we are committed to complying with all local laws and regulations that are in force where our plant is located.

For such reasons as well, an important issue for us is the development of programs for the nurturing of our human resources. Through engaging in such activities, we aim to be able to provide even better products.



## Organizational Governance

### Code of Conduct

In keeping with the ATC core values, this company undertakes suitable business activities with an emphasis being placed upon value creation. To achieve the organizational objectives which we base upon such behavior, we remain committed to superior levels of corporate governance while managing our business.

This policy covers various fields such as compliance with applicable laws and responsibilities to shareholders, etc.

### Schedule of Authority (SOA)

The SOA review that was conducted in December of 2018 clarifies the various decision-making powers within the organization.

### Organizational Structures & Standard Operating Procedures (SOP)

To improve the company's reporting system, we review the organizational system every quarter. Furthermore, each department has its own SOP to assure the maintenance of consistent product quality.

### Whistle-blower policy

Concerning the company's whistle-blower policy, in addition to it acting to protect employees from unethical business practices, we have put in place a system to provide for the reporting of real concerns and complaints. Furthermore, regarding both the basic principles of the company's business and the reporting of any habitual practices, such matters are processed using methods that are fair and unprejudiced as is regulated by the corporate laws of 2013 and company rules 177 (9) and (10) from 2014.

## Human Rights

### Promotion of gender equality

We commenced the recruitment of female employees in 2017. In the future, we also plan to participate in the "Girls on Floor" initiative.

Our "Sexual Harassment Prevention Policy" is the result of considerable hard work on the part of ATC India Pvt. The aim of this Policy is to provide employees with a workplace that is free from sexual harassment, intimidation, and exploitation. The objectives outlined in the Policy are to protect all employees in the specified workplaces from the misery of sexual harassment, and provide assistance in cases where it has been experienced, as well as protecting employees from related problems. In order to raise awareness among all of the company's employees, sexual harassment prevention training is being implemented in individual workplaces in line with the Policy.

The company has established an Internal Complaints Committee which is responsible for the following matters:

- Investigating all formal complaints of sexual harassment
- Implementing appropriate corrective measures in relation to reports of sexual harassment
- Combating and preventing employment-related sexual harassment

The company's corporate values, which are outlined below, offer assurance that the proper approach will be adopted in all of our business activities:

#### "Fidelity":

The company will maintain fairness in its dealings with all stakeholders, and will always act in an appropriate manner.

#### **“Responsibility to explain”:**

The company recognizes the need for accountability in all of our actions, and in relation to all of our responsibilities.

The company's Code of Conduct includes the following stipulations relating to discrimination and harassment: The company shall maintain a workplace environment in which every employee is protected from discrimination or harassment based on race, gender, nationality, age, religious affiliation, sexual orientation, genetic information, sexual preferences, disability, or other aspect of the employee's status or personal characteristics that is protected by law, and in which every employee is able to maximize their potential.

## **Labor Practices**

### **Quality, Environment, Health, and Safety Policy (QEHS)**

ATC Tires Pvt Ltd, which is a company engaged in the manufacturing of off-the-road (OTR) tires, is committed to the creation, maintenance and assurance of product quality, health and safety, and environmental protection, for all of the people and businesses with which the company is involved. This stance is a vital element in our planning and decision-making, and is embodied in the following items.

- In carrying on our business activities, we demonstrate respect and care for our customers, people in general, and the environment.
- By manufacturing and providing products that meet our customers' needs, we realize customer satisfaction.
- We meet product quality requirements.
- We ensure the health and safety of all of the company's stakeholders in our workplaces.
- We fulfil our legal compliance responsibilities in relation to environmental risks and occupational health and safety risks.

To this end, we realize the following items:

- We safeguard the environment by ensuring efficient utilization of resources (through recycling, etc.) and through pollution prevention, and we use new technologies etc. to properly manage emissions from production processes.
- To protect against injuries and illnesses resulting from occupational health and safety incidents, we ensure that appropriate systems and processes are put in place for all employees.
- We make use of a variety of different forums to promote dialog with all of our stakeholders in regard to quality, health and safety, and environmental performance.
- We make efforts to conserve biodiversity in our business activities.
- We implement ongoing improvements in regard to the effectiveness of our integrated management systems and their performance.
- We shall disclose this policy to stakeholders.

### **Social Security and Health Insurance**

Our company provides employees with social insurance coverage and medical/injury insurance such as PF, ESIC, Gratuity and Group Accident Insurance, etc.

We have a six-member specialist safety team that takes the lead at the AGM and with respect to matters of environmental health and safety.

Within the policy's code of conduct,

the following is stipulated: "Our company strives to supply a safe and healthy workplace environment in all areas." Each workplace is operated according to the hygiene and safety requirements of all applicable regions, states, and countries, and it is necessary not to be affected by illegal drugs, alcohol, or substances. All employees have a responsibility to support the maintenance of a safe and healthy workplace by obeying applicable laws and the code of conduct.



Health Checkup



## Festival celebrations

The company celebrates events such as Independence Day (August 15), Republic Day (January 26), National Safety Week, World Environment Week, and Vishwakarma Puja, etc. On such national public holidays, all employees celebrate together.



World Environment Week celebrations



Vishwakarma Puja

## Training

As is required, we implement actionable, general, and technical training for our employees based on their needs. In the course of such activities, we undertake to carry out classroom training, open forums, and on-the-job training (training in the workplace).

For all new workers who join the company, we implement an introductory seven-day training program whose lessons deal with matters of Employment, Health, and Safety (EHS), quality, and corporate policies, etc. New workers who achieve very high results in their training are recognized.

In 2018, we conducted training programs for all our employees, which meant that on average, each employee was subject to some 15.9 hours of instruction.

In participating in a new university program entitled, "Learning while Studying" (experiencing working while learning), for the purpose of both having students understand the work of this company, its corporate culture, and its remuneration policies, etc., and also for the purpose of securing a supply of future employees, we registered as interns some 40 university students who aim to complete their studies in engineering and polymer chemistry.



Training programs



Scene from a workplace training session



Awards for environment improvements, etc.

**We have also undertaken the following initiatives for the benefit of our employees:**

- A staff canteen facility is provided for all employees.
- Transportation (buses) is provided for all employees on all shifts.
- All employees undergo medical checkups
- We have started to celebrate employee birthdays once each month.



Birthday Celebration



- We celebrate the Deepawali Festival for all employees.



Diwali



## The Environment

### Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		—	—	680	2,500	2,040
Proportion sent to landfill (%)		—	—	—	—	—
Landfill waste (t)		—	—	—	—	—
Energy use (oil equivalent: kl)	Electric power	—	—	21,414	29,169	40,168
	Fuel	—	—	—	—	30,232
	Total	—	—	—	—	70,400
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	—	—	—	93
Water usage (1,000m <sup>3</sup> )		—	—	91.3	198.8	245

※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.

We are also continuing the practice of planting trees within the grounds of the plant.



Tree Plantation



## Fair Operating Practices

### Code of conduct to regulate fair competition and trade

The tire business is a competitive industry. The tire business is a competitive industry. Nevertheless, at this company we are entirely committed to behaving in a manner that supports fair competition and business dealings.

All our employees are required to act ethically, and to communicate frankly and honestly. We act fairly in all our dealings with colleagues, managers, customers, suppliers, consultants, and government officials (both domestically and overseas).

## Consumer Issues

### Product & Service safety and quality

For the purpose of being able to suitably provide information to our customers, we are undertaking to improve both our marketing and our communications ability with respect to product information.

Concerning complaints received from customers regarding the performance of our tires and any newly-occurring defects, we work to resolve such issues through the undertaking of corrective measures.

The company complies with the occupational health and safety requirements of product manufacture. It acts in accordance with matters of compliance when concluding contracts, and it undertakes training for the purpose of resolving problems.

## Community Involvement and Development

### Social contribution activities

We are undertaking the following measures for the purpose of assisting in the development of local society:

- We are helping protect the water sources of Samontpore Village  
For the purpose of protecting both above-ground and subterranean water sources, as was done for the nearby villages of Neem, Nilgiri and Gulmohar, we undertook plantings of Sambheti Gram Panchayat, a local tree species.
- Support of Banaskanta Village  
To save the villagers of Banaskanta who suffered from flooding in September 2017, we undertook to support them through the donation of 10,000 meals.



Children's medical check-ups

Additionally, we are carrying out other activities such as providing medical checkups for children.



School Adoption Project



# ATC Tires Private Ltd. Mumbai office

## Business activities

Comprehensive activities involving farming, forestry, construction, industry, and the manufacture and sales of OTR tires

## Total site area

28,393 square feet

## Number of employees

325 (as of December 2018)

## Location

Plot No. 53 & 27-C, 2nd Floor, Empire Complex, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

## Contact for consultation and complaints

Human Resources and Administration Dept.

Tel: +91-22-3957-9600 | Fax: +91-22-3957-9699



## Message from the President



Nitin Mantri

In our CSR activities, rather than merely responding to different requests for financial assistance, we have decided to focus on education and on the environment.

In 2017, we helped to improve school infrastructure, and provided support for a variety of activities to help local communities in the vicinity of our factories. At our Tamil Nadu Plant, with the participation of company employees, local communities and schoolchildren we planted a total of 4,700 trees, launching a unique "Forever Forest" project.

We are committed to continuing to fulfil our responsibilities to society as a whole. By securing participation from all stakeholders, striving to realize comprehensive change, and focusing on communities' real needs in regard to education and the environment, we are striving to implement CSR initiatives that help local communities in sustainable ways.



## Organizational Governance

### Code of Conduct

Our company undertakes appropriate business activities that emphasize value creation, in accordance with ATC's core values. While carrying on our business operations, we do our utmost to realize outstanding corporate governance, so as to achieve our organizational objectives.

This strategy covers various areas, including maintaining compliance with relevant laws and regulations, fulfilling our responsibilities to shareholders, etc.

### SOA (Schedule of Authority)

The SOA (Schedule of Authority), which was revised in December 2017, clarifies the various levels of decision-making authority in the organization.

### Organizational Structure and Standard Operating Procedures (SOP)

To improve the company's reporting system, we review the organizational system every quarter.

Further, each department has its SOP (Standard Operating Procedures) to assure the maintenance of consistent product quality.

### Employee handbook

An "Employee Handbook" outlining all employee-related policies was issued in September 2016. It ensures that all company employees are familiarized with changes made to company policies, and also presents overviews of (and highlights the advantages of) relevant procedures.

### Whistle-blower System

The company's internal whistle-blower system aims to protect employees from unethical acts, and also provides a mechanism for reporting genuine concerns and complaints.

Reports relating to the company's business principles and practices are handled in a fair, impartial manner in accordance with the Companies Act of 2013 and with Items 177 (9) and (10) of the 2014 version of the company's internal rules.

## Human Rights

### Preventing sexual harassment

Our "Sexual Harassment Prevention Policy" is the result of considerable hard work on the part of ATC India Pvt. The aim of this Policy is to provide employees with a workplace that is free from sexual harassment, intimidation, and exploitation. The objectives outlined in the Policy are to protect all employees in the specified workplaces from the misery of sexual harassment, and provide assistance in cases where it has been experienced, as well as protecting employees from related problems.

In order to raise awareness among all of the company's employees, sexual harassment prevention training is being implemented in individual workplaces in line with the Policy.

The company has established an Internal Complaints Committee which is responsible for the following matters:

- Investigating all formal complaints of sexual harassment
- Implementing appropriate corrective measures in relation to reports of sexual harassment
- Combating and preventing employment-related sexual harassment

The company's corporate values, which are outlined below, offer assurance that the proper approach will be adopted in all of our business activities:

**“Fidelity”:**

The company will maintain fairness in its dealings with all stakeholders, and will always act in an appropriate manner.

**“Responsibility to explain”:**

The company recognizes the need for accountability in all of our actions, and in relation to all of our responsibilities.

The company’s Code of Conduct includes the following stipulations relating to discrimination and harassment: The company shall maintain a workplace environment in which every employee is protected from discrimination or harassment based on race, gender, nationality, age, religious affiliation, sexual orientation, genetic information, sexual preferences, disability, or other aspect of the employee’s status or personal characteristics that is protected by law, and in which every employee is able to maximize their potential.

## **Labor Practices**

### **Quality, Environment, Health and Safety (QEHS) Policy**

ATC Tires Pvt Ltd, which is a company engaged in the manufacturing of off-the-road (OTR) tires, is committed to the creation, maintenance and assurance of product quality, health and safety, and environmental protection, for all of the people and businesses with which the company is involved. This stance is a vital element in our planning and decision-making, and is embodied in the following items.

- **In carrying on our business activities, we demonstrate respect and care for our customers, people in general, and the environment**
- **By manufacturing and providing products that meet our customers’ needs, we realize customer satisfaction**
- **We meet product quality requirements**
- **We ensure the health and safety of all of the company’s stakeholders in our workplaces**
- **We fulfil our legal compliance responsibilities in relation to environmental risks and occupational health and safety risks**

To this end, we realize the following items:

- We safeguard the environment by ensuring efficient utilization of resources (through recycling, etc.) and through pollution prevention, and we use new technologies etc. to properly manage emissions from production processes
- To protect against injuries and illnesses resulting from occupational health and safety incidents, we ensure that appropriate systems and processes are put in place for all employees
- We make use of a variety of different forums to promote dialog with all of our stakeholders in regard to quality, health and safety, and environmental performance
- We make efforts to conserve biodiversity in our business activities
- We implement ongoing improvements in regard to the effectiveness of our integrated management systems and their performance

### **Social Security and Health Insurance**

Our company provides employees with coverage from social assurance and medical/injury insurance such as PF, ESIC, Children’s Health Insurance Program (CHIP), Workers’ Compensation, Medicare Insurance, and Group Personal Accident Insurance, etc.

In addition, our vice-president in charge of environmental safety and health has a high-level conference body that monitors safety.

#### **Code of Conduct**

Our company strives to provide a safe, healthy workplace environment in all regions.

Each and every workplace is operated according to the health and safety requirements of all applicable regions, states, and countries, and there is a requirement that workers not be under the influence of illegal drugs, alcohol, or other illegal substances. All employees have a responsibility to support the maintenance of a safe and healthy workplace by obeying applicable laws and codes of conduct.



## Celebration of festivals

We celebrate Indian festivals such as Holi, Independence Day, Navratri, Diwali, and Christmas, etc.

All employees participate in the celebrations, follow the dress code set for each festival, and participate in enjoyable activities such as special contests, thereby contributing to teambuilding, and enhancing employee motivation as part of the organization. When celebrating the Holi festival, employees wear particularly colorful clothing.



Holi Celebration

A special quiz competition (with questions about the teams participating in the Independence Day Cup) was held on Independence Day.



Independence Day Celebration



As part of the Diwali festival celebrations, boxes of sweets are distributed to all employees as a festival gift.



Diwali Celebration



Before Christmas, a competition is held with teams from each department participating; the members of the team that does the best job of decorating its workplace with Christmas decorations receive gift-bags containing special food products.



Christmas Celebration





Women's Day



### Birthday parties:

With the aim of strengthening interaction among employees, enhancing employee motivation, and strengthening ATG's corporate culture, on the fourth Friday of every month a birthday party is held for employees whose birthday falls in that month. Employees get together for the cake-cutting ceremony, birthday gifts are distributed, and employees enjoy beverages and snacks, as well as participating in team-building activities.



Birthday Celebration



### Recognition for long-serving and retiring employees:

During the monthly birthday parties, special commemorative gifts are presented to express the company's appreciation to long-serving employees with more than 10 years' service, and to employees who will be retiring soon.

### Employee Recognition





Our company attaches great importance to employees' health. The company has launched a "Fitness Club" which meets in the employee cafeteria every week, with fitness enthusiasts volunteering to serve as certified internal trainers. Participants perform basic stretching and warmup activities, as well as exercises designed to build muscular strength and improve cardiovascular fitness.

The company's offices have a health station, with a doctor permanently on call. An emergency treatment room has been established, and there is also a special organization system for the proper management of biomedical waste, to ensure that waste is properly disposed of in an effective manner.



Workplace Wellness



## Training

Our company provides general training and specialist technical training in line with both employees' needs and the company's business needs. Training in basic tire knowledge and tire manufacturing processes is provided on a regular basis for both new employees and existing employees.

## The Environment

The company recycles paper that has been printed on one side, and cafeteria waste is sorted into wet waste and dry waste.

We are currently exploring the feasibility of additional environmental protection measures that may be introduced in the next fiscal year.

## Fair Operating Practices

### Action standards to regulate fair competition and trade

The tire business is a competitive industry. However, we are committed to working holistically. All of our employees are required to act ethically, and to communicate frankly and honestly. We act fairly in all our dealings with colleagues, managers, customers, suppliers, consultants, and government officials (both domestically and overseas).

## Consumer Issues

### Realizing first-class marketing communication and product communication

We issue a regular newsletter, and we also distribute product-related flyers, pamphlets and brochures etc. to realize effective communication in regard to product-related topics, introduction of new products, the latest developments within the company, etc.

## Appropriate contract enforcement

We provide reports to our OEM customers to confirm that product delivery is being implemented on time and in the correct quantities on a stock-keeping unit (SKU) basis, and we strive to ensure that contract performance is conducted properly. When undertaking product manufacturing, we ensure that all health and safety requirements are met. This commitment represents an integral part of our corporate culture, and recognition of the importance of this attitude is shared by all employees from senior management on down.

## Solving problems

In the event that there is a problem affecting any of our customers, we strive to act as a responsible “team leader” in addressing the problem.

# Community Involvement and Development

## Social contribution activities

### Participation in the “Cleanathon” activity

In collaboration with United Way of Mumbai, we participate in cleanup activities at Chimbai Beach in the Bandra West district of Mumbai.

We aim to play our part in the collaborative effort to create a clean, sanitary India, focusing on waste management, and on the prevention of soil pollution, atmospheric pollution and water pollution.



Cleanathon – CSR



### Participation in the “Mission Mangroves” activity

Employees have been participating in the Mission Mangroves program launched by NPO United Way of Mumbai.

In cooperation with farms located near the coast, each time 14 volunteers have been taking part in mangroves tree-planting activities four times a year.





Mission Mangroves



# PT. Yokohama Industrial Products Manufacturing Indonesia (YI-ID)

## Business activities

The manufacture and sale of marine hoses and pneumatic fenders

## Total site area

51,000 m<sup>2</sup>

## Number of employees

120 (as of December 2018)

## Location

Jl. Mas Surya Negara VIII No.6 Kawasan Industri Terpadu Kabil-Batam Kepulauan Riau, Indonesia

## Contact for consultation and complaints

Tel: +62-778-807-0100 Fax: +62-778-807-0101



## Message from the President



Masashi Wakabayashi

PT. Yokohama Industrial Products Manufacturing Indonesia (YI-ID) is a company that was established on the Indonesian island of Batam in February 2014 as an overseas manufacturing base with excellent cost competitiveness with the aim of expanding our market share in marine products against a background of high quality and brand strength.

Batam is a mere 20 km from Singapore, which is the largest hub port in Asia, and has excellent convenience from the aspect of international logistics.

We started building a factory there in 2014 and then commenced the manufacture and sale of STS hoses and pneumatic fenders from 2016. From 2017, we also commenced the manufacture and sale of marine hoses.

We obtained ISO9001 certification in 2016, and then followed that in April 2017 by receiving our ISO14001 and OHSAS18001 certifications. In 2018, we completed an update to an ISO9001 2015 certification.

We operate safety, environmental, and quality management systems to promote continuous improvement activities.

We are also promoting activities with the aim of becoming a company trusted by our customers, employees, and everyone in the local community.



## Organizational Governance

### Organization and System Reviews

We run a compliance committee comprising representatives of the HR section chief and worksites with the company president as its chair.

Every month, we check requests from employees and compliance-related queries and information by e-mail, request forms, or directly, and then make improvements.

At the company-wide meeting every month, we teach compliance (corporate action regulations, internal reports, and harassment, etc.) to our employees.



Compliance 2017

The union was established in September 2018 in an aim to improve working conditions and the position of laborers. It is registered with the FSPMI (Federasi Serikat Pekerja Metal Indonesia). The union is formed of five departments, and it holds meetings at least once a month or when necessary.

## Human Rights

Indonesia has diverse ethnicities, each with a different culture and traditions.

When the nation was founded, there was a desire to coalesce and unite everyone while respecting these plural environments and cultures.

We also respect this desire, and in employing human resources, our hiring practices do not violate any laws regarding race, gender, religion, or child labor, etc.



## Labor Practices

### Occupational safety and health

#### Basic Policy of Safety and Health

Safety and health form the basis of everything that we do, and our core ideal is to create a pleasant workplace that prevents work accidents and is healthy for both mind and body, and we are promoting safety and health activities based on OHSAS 18001.



OHSAS 18001 Certificate

## Safety Training for Employees

We are continuously implementing safety and health training for employees.

### (1) Traffic accident prevention

The majority of YI-ID employees commute by motorbike. Consequently, we periodically call on outside lecturers and hold motorbike safety classes and demos using simulators, etc., to prevent accidents while commuting.

Furthermore, from 2017 as an additional countermeasure to prevent against traffic accidents and injuries, we instituted a program of monthly motorbike maintenance inspections conducted by a safety team. The inspections consist of checking roughly 10 key items that are directly related to safe riding such as the headlights, indicators, brakes, mirrors, and tire pressures, etc.



Motorcycle safety workshop

### (2) D-day activities

Every other week we host D-day (Demonstration day) activities, and section chiefs and managers observe the work, find safety and quality problems, and improve the tasks and review the work procedures.

### (3) Evacuation drill

Each year, based on the assumption that a fire has broken out, we conduct an evacuation drill involving all employees. After the initial alarm has been raised, in accordance with the instructions broadcast throughout the plant, all employees practice evacuating the premises safely.



Firefighting drill



Evacuation drill

### (4) Roller mill rescue training

Working with the plant's roller mills is a very dangerous task. Thus, to both increase the safety consciousness of workers and prepare for if an accident should occur, we conduct training every three months while rotating the training participants through the various roles.



Roller mill rescue training

### (5) 2S activities

2S is the mutual inspections of worksites every other week based on safety basics to improve the 2S level.

### (6) Providing non-oily foods in order to maintain health

Indonesian cuisine features a great many dishes that are prepared using cooking oil. If too much of it is consumed, however, cooking oil can negatively impact a person's health. Accordingly, we have commenced a strategy of providing lunchtime meals once a month that are free of oil. On that day at the canteen, rather than dishes prepared using oil, employees are offered alternatives whose ingredients have been boiled and/or grilled.



## Communications

We host Independence Day events, Buka Puasa and family days to improve communications within the company.



Family days

## The Environment

### Environmental management

#### Core environmental ideals

Establishing our aim of “becoming a company having world-class strengths in technologies for protecting the environment based on the rule of ‘valuing social fairness and harmony with the environment’” as the basic philosophy, we promote environmental improvement activities based on ISO 14001.



ISO 14001 Certificate

### Environmental data

Category		FY2014	FY2015	FY2016	FY2017	FY2018
Waste generated (t)		—	—	107	241	377
Proportion sent to landfill (%)		—	—	0.0	0.0	0.0
Landfill waste (t)		—	—	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	—	—	291	544	679
	Fuel	—	—	471	919	1,146
	Total	—	—	762	1,463	1,825
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	—	1.82	3.48	4.34
Water usage (1,000m <sup>3</sup> )		—	—	11.1	34.7	31.2

※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. The calculation of emissions from overseas business locations since FY2016 has been based on the Greenhouse Gas Protocol Initiative.

## Fair Operating Practices

We created action rules in Indonesian based on Yokohama Rubber's action rules, and distributed YI-ID compliance cards to all employees to educate them. We also made clear the ways to consult on compliance (e-mail, phone, etc.), and people can consult the helpdesk at any time.



## Consumer Issues

In 2017, we established Indonesian sales supervision and technical support to promote sales expansion in the Indonesian market. There is local content in Indonesia, and the higher the ratio of materials sourced within Indonesia for products, the more of an advantage there is in domestic sales talks. Although it was 18% in 2017, it was 26% in 2018. We are promoting the local sourcing of materials to further increase this ratio. Furthermore, we are also promoting quality improvement activities based on ISO 9001.



ISO 9001 Certificate

## Communication with customers

Along with our commencing to manufacture marine hoses, many customers have taken an opportunity to come to either visit or inspect the plant.

What is more, for the purpose of increasing our profile in the Indonesian market, along with YRC, we manned a booth at Oil & Gas Indonesia for the first time which was held in September of 2017, and our efforts were rewarded by many visitors to the event who took the opportunity to drop by the booth and see our products. In 2019, we will also exhibit marine products, pressure hoses, and belts jointly with YIPAP.



## Response to complaints

Information received from stakeholders is quickly deployed throughout the company based on the manual and analysis and countermeasures are established to answer and respond to customers.



# Community Involvement and Development

## Relationship with local societies

Over 90% of Indonesians are said to be Muslims, and there are many events connected to Islam.

### (1) Buka Puasa

Muslims are thankful that they can normally eat, and so have a month of fasting to understand the feelings of people who are suffering from hunger. During this period, they refrain from eating and drinking during the day, and as soon as the sun goes down, the family gathers, give thanks for being food secure, and pray. This event is called Buka Puasa. During this time, we gather together our employees and a group of local orphans so as to hold a Buka Puasa event.



Buka Puasa

### (2) Hari Raya IdulAdha

Hari Raya is a celebration of the Islamic Festival of Sacrifice, and it is an event during which all people are offered beef. In each and every household as a traditional meal a special dish of beef is prepared. YI-ID also donates a cow.



Hari Raya Idul Adha

## Yokohama Forever Forest Activities

Since 2016, in preparing for our own participation in the Yokohama Forever Forest activities, we have pushed forward with a tree survey.

We are also pushing forward with preparations so as to hold a tree-planting event in the second half of 2018.