

# Yokohama Europe GmbH (YEU)

## Business activities

Sales of tires in Europe (EOE, REP) and marketing activities, etc., in Europe

## Number of employees

53 (as of December 2020)

## Location

Monschauer Str.12 40549 Dusseldorf, Germany

## Contact for consultation and complaints

Tel: +49 (0) 211-53 74 05 13 Fax: +49 (0) 211-53 74 05 23

Email: a.mayer@ yokohama-online . com



## Message from the President



Hiroiyuki Shioiri

Yokohama Europe GmbH is the European business management company of Yokohama Rubber Co., Ltd. based in Germany, with approximately 240 employees, including those at affiliated companies in European countries.

As you know, the European Union (EU) has been ahead of the rest of the world in launching specific initiatives and measures to achieve a sustainable society, and is leading the world in the field of ESG, especially in the use of fossil fuels, which is now a global issue, and GDPR (EU General Data Protection Regulation), which protects personal information.

In addition to aiming to become a company rooted in the local community, YOKOHAMA Europe GmbH will aim to contribute to raising the level of the entire group's CSR activities by quickly

providing feedback to the Yokohama Rubber Group on the latest trends in Europe.

## Organizational Governance

All employees have been issued with copies of the “Internal Business Regulations & Procedures” and the “Employment Handbook & Policy Manual”, and they are engaged in business based on the code of conduct described within. Every year, all employees submit their signatures certifying that they have read and understood these materials to the Personnel Division Manager.

## Human Rights

The “Code of Ethics” has been established as a section within the “Employee Handbook & Policy Manual” retained by all employees. Within this it is clearly stated that gender discrimination, racial discrimination and acts of discrimination against the disabled are strictly prohibited. Time is taken to ensure the thorough enforcement of these regulations through individual interviews that are held with all employees every year.



## Labor Practices

“Human Resources Development,” “Concluding Employment,” “Discipline” and “Promotion” sections have all been established within the “Employee Handbook & Policy Manual” retained by all employees. Furthermore, the company’s operation and control functions are conducted through detailed management practices.

## The Environment


### Fostering and improving environmental awareness

Led by our environmental working group, all of our staff members are working to reduce our electricity and lighting expenses, cutting down on unnecessary printing and economize the use of paper. We further promoted the move to electronic invoicing that was started in fiscal 2016 and have thus further contributed to reducing printing paper.

## **Fair Operating Practices**

### **Policy on corruption and other irregularities**


We strive to prevent corruption by ensuring that we do not provide benefits such as bribes. In order to enable Whistleblowers to report anonymously from inside and outside the company, we have made a contact point available on our website.

 <https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=44akzX&c=-1&language=eng>

## **Consumer Issues**

### **Personal Information Protection Policy**

As well as complying with the law, we manage data in accordance with the EU General Data Protection Regulation (GDPR) and disclose our privacy policy on our European website.

 <https://www.yokohama-online.com/privacy-policy/>

### **Claim response training for agents**

We aim to improve customer satisfaction by confirming complaints from customers received through agencies and improving the complaint judgment accuracy of agents (fair judgment).

We strive to improve knowledge and awareness of tires by holding basic training for new employees and agent staff that are working with tires for the first time. We also offer advanced training to those with technical responsibility to improve their expertise.



Advanced training for agents (check of the tires which received complaint)



Inspection of sample cut tire



Technical lecture

## Community Involvement and Development

### Relationship with local societies

For many years, we have been participating in the city of Dusseldorf's cleanup campaign called "Dreckweg-Tag" (Garbage Removal Day). Every year at the end of March, volunteers go to the Rhine River to pick up trash and walk along the river. In some years, more than 10,000 volunteers participate in the event, and the amount of garbage collected in containers can reach 30 tons.

<https://www.dreckweg-tag.de/>

In the past, we have assisted in the regular maintenance of the university's botanical garden, taking part in simple but strenuous tasks such as removing shrubs and weeds. In recent years, our employees and their families have participated in the maintenance of the grounds of Ökotox Heerdt e.V., an NPO in Dusseldorf, and the YOKOHAMA Group is making efforts to assist in local environmental conservation activities. This NPO is a truly German environmental protection organization that is involved in the attempt to create a biotope where humans and nature coexist in harmony.

<http://www.oekotop.de/>

Employees of Yokohama Europe, along with their families and business partners, have always been involved in such community projects and activities. We will continue to contribute to local environmental protection activities and various social contribution activities.



Participants in the Rhine riverbank cleanup



Participants wearing safety vests distributed by the city

# LLC Yokohama R.P.Z. (YRPZ)

## Business activities

Production of tires for passenger cars

## Total site area

29ha

## Number of employees

733 (as of December 31, 2020)

## Location

YOKOHAMA Plant, estate 40, SEZ "Lipetsk", Kazinka Village, Gryazy District, Lipetsk Region, Russia, 399071

## Contact for consultation and complaints

HR and Administration Dept.

TEL: +7 (4742) 727-800 FAX: +7 (4742) 727-900



## Message from the President



Takaoka Tatsuya

Located approximately 450 kilometers south of the Russian capital of Moscow, LLC Yokohama R.P.Z. commenced its production activities in the Lipetsk Region in 2012.

### **In conducting our business, we aim to achieve the following:**

- **We wish to create a high-quality and cleanly run factory from which our customers may experience peace-of-mind when they purchase our products.**
- **We also wish to create an attractive company in which our employees can take pride.**
- **We will flexibly respond to the market environment in Russia.**

Roughly nine years have passed since production activities commenced at our factory, and the order of the requirements on which we place the greatest importance continues to be safety (S), the environment (E), quality (Q), delivery (D), and cost (C). Of these requirements, safety (S) is of the greatest importance to us. Accordingly, we earnestly wish that all of our employees can complete their jobs each day and return home to their families safe and sound.

We have successfully renewed ISO 14001 environmental management certification in December of 2019. We are continuously making improvements and promoting improvement activities with the participation of all employees by using our environmental management system as an axis on which to base activities. In the future as well, we intend to push forward with our aim of becoming a business that can be trusted by our customers, by our employees and by regional society.

## **Organizational Governance**

### **Compliance**

In our operations, we strive to be a company, which complies with all applicable Russian laws and regulations.

Through our legal, compliance and internal control department, we undertake regular monitoring of Russian law. Where those actions reveal newly established or revised statutes, we quickly respond by informing both the company's management team and the relevant business units.

Starting from July 2016, we have been utilizing a whistleblowing system as a tool for anonymous internal reporting; all employees, including new hires, are regularly encouraged to make use of the system.

Since August 2017 and for now YRPZ has been making an effort to strengthen its compliance education. For this purpose, the legal section provides compliance-related case studies to all employees on a monthly basis.

## **Human Rights**

There have been no instances of human rights being violated as a result of the activities undertaken by the company. Concerning both recruitment and employment conditions, all our employees are treated equally irrespective of their nationality, ethnicity, religion, gender, age and appearance, etc.

## **Labor Practices**

The company has been conducting its activity in line with the following priorities which are of great importance to us: safety (S), the environment (E), quality (Q), delivery (D), and cost (C).

## **Labor safety**

Safety (S) is the highest-priority item. We are constantly striving, through the measures outlined below, to maintain and improve the safety standards on an ongoing basis.

1. Safety education for employees
2. Evaluations of safety awareness
3. Internal inspections relating to occupational health, safety and the environment (conducted daily)
4. Inspection patrols conducted by the internal safety committee (conducted weekly)
5. Safety patrols conducted with the President acting in a leadership role (conducted monthly)
6. Safety meetings (held monthly)
7. Workplace environment evaluations of working conditions
8. Provision of personal protective equipment (PPE)

As COVID-19 pandemic broke out, we launched a COVID-19 prevention patrol made up of section managers as well as top managers. The patrol is aimed at ensuring that all employees undertake the necessary COVID-prevention measures: wearing safety masks, keeping a safe distance, controlling body temperature, and holding risk management committee for prompt action.

In fiscal 2020, we continued the activity undertaken to prevent accidents. YRPZ employees had to inspect electrical appliances and electrical components near their workplace location within 5 meters.

YRPZ continued to revise the procedure for near-miss reports in fiscal 2020. During the year, 7,495 near-miss reports were submitted by employees. Out of the reports submitted, for 7,418 corrective or preventative measures were initiated.

In 2020, YRPZ continued to provide training to employees who undertake works at height so that they can perform their duties safely. YRPZ also provides necessary PPE to them.

## **Disaster response safety measures**

In 2020, the company conducted appropriate activities to enhance safety in relation to disaster prevention.

YRPZ continues to practice fire drills on a regular basis. In February 2020, special fire drills were held for employees of the production department in respect to emergency response measures. They practiced their skills to use emergency fire-fighting equipment, to prevent the fire from spreading. 167 persons participated in the drills.

In October 2020, fire drills were held for employees of the administrative department. The drills focused on main actions in the event of a fire.

In 2020, YRPZ passed fire safety audits conducted by the HQ and IC "Allianz". Upon conclusion of the audits, due consideration was given to the elimination of the cases of non-compliance with the requirements.



Fire drills



## Promoting health

Employee health promotion has a vital role to play in ensuring safety. Employee health status is checked on a regular basis, and health examinations – both at the time of hiring and on a periodic basis thereafter – are used to implement preventative monitoring. All records of employee health examinations are safeguarded within YRPZ's on-site medical facility.

Though provision of Voluntary Medical Insurance (VMI) is not compulsory under Russian law, YRPZ has continued to provide it to all of its employees. YRPZ's VMI program continues to be the best in terms of coverage and contents among industrial enterprises in Lipetsk Region. Through our VMI, employees can receive prompt, high-quality medical treatment, thus get a better chance of making a good recovery. In fiscal 2020, we took efforts for further improvement of VMI through a number of measures: changing a VMI provider, continuous support of and assistance to YRPZ employees, extension of the coverage scope and list of clinics, audits of clinics, employee satisfaction polls with subsequent improvement measures, etc.

As COVID-19 pandemic started in March 2020 we undertook a number of measures aimed at protecting the health of our employees:

1. We joined a 3-week lockdown imposed widely throughout Russia and suspended our production activities;
2. Even before the spread of the pandemic we started to provide antiseptic liquids to our employees at workplaces;
3. We started to provide the employees with safety face masks;
4. Regular control of the body temperature was implemented: at the entrance to the plant before the shift start, and several times during the shift;



5. Distance between the employees and employees' desks was increased in order to ensure safe work;
6. Entry of outsiders to the plant territory was restricted to only highly necessary visits;
7. Whenever possible we switched to online meetings (for recruitment, business, negotiations, etc.)
8. If employees display any signs of sickness or report about any contact with a COVID-positive person, they are immediately isolated and sent to COVID-19 testing at the company's expense. COVID-testing is also done if employees return from vacation (other Russian regions or abroad) or from sick-leave;
9. Disinfection of public areas was regularly held.
10. Meeting rules: within 15 minutes, distance between participants – 3m

## Education and training

To improve employee specialist skills and knowledge, we undertake to carry out various forms of internal and external training.

Concerning the training conducted within the company, we mainly offer that which deals with work-related health and safety issues.

Training conducted externally also involves the cooperation of consulting companies, and in many cases external instructors are used to ensure that employees receive the best training possible.

This is because the aim of the training is to specialize and enhance employees' know-how and skills.

A special allowance is paid to those individuals displayed a specified level of English proficiency.

## Employment of people with disabilities

As of December 31, 2020, we had four disabled persons working at YRPZ as full-time employees.

Each of them is able to receive medical treatment without being subject to discrimination, and has the same opportunities for personal development and improvement as the rest of the workforce.

## Motivation and engagement

In order to improve the motivation and the level of employee engagement, in fiscal 2020, YRPZ carried out the following activities:

- YRPZ revived the birthday party tradition. In fiscal 2020, employees received branded towels and birthday cards signed by the president;
- Trips to health improvement camps were provided to employees' children (on co-financing basis – YRPZ paid 50% of the trip cost per child);
- Best Manager competition was held for the first time. The following criteria were applied in determining the winners: staff turnover; personnel involvement, whether the manager has a successor, results of MVP competition, budget fulfillment;
- Employees who were employed in 2010 celebrated their 10-year work anniversary and received gifts from the company;
- For employees' children YRPZ prepared special NY presents (comic books and branded chameleon mugs) besides sweet gifts;
- In December 2020, special presents for efficient work during the COVID-19 pandemic were provided to employees of the production department.



## Improvement of the workplace environment

In fiscal 2020, an engagement survey was conducted among all of our employees. In the survey, individuals are asked about the sense of satisfaction that they feel toward their job, the sense of loyalty that they feel toward the company, their motivation, and any problems they are aware of. In the end of the survey, employees had an opportunity to praise their subordinates or colleagues for achievements and thank them for help and assistance. Based on the survey results, in fiscal 2020, steps were taken to improve the working environment in order to heighten the level of employee engagement.

# The Environment

## Environmental management

Besides Safety (S), the Environment (E) is also an important issue. YRPZ complies with all environment-related Russian laws and regulations. Moreover, we make a concerted effort to be an environmentally friendly company. As part of everyday business, we keep abreast of the national environment laws, and try our utmost to comply with all laws and regulations whereby any revisions are released.

In December 2019 we successfully renewed ISO 14001:2015 certificate. The certificate will be valid till December 26, 2022.



## Environmental data

Category		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Waste generated (t)		1,196.4	1,165.7	1,211.0	1,008	921
Proportion sent to landfill (%)		0	0	0	0	0
Energy use (oil equivalent: kl)	Electric power	4,530	4,989	5,232	5,096	4,964
	Fuel	4,838	4,875	4,918	4,283	4,067
	Total	9,368	9,865	9,865	9,379	9,031
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		16.8	17.7	18.2	16.7	16.1
Water usage (1,000m <sup>3</sup> )		54.8	51.5	50.1	46.2	44.1

※FY: January to December

※Greenhouse gas emissions from overseas operations were calculated Greenhouse Gas Protocol Initiative. It should be noted that 41% of the company's gas emissions were used for the purposes of heating.

## Measures for dealing with industrial waste

Disposal of industrial waste is strictly regulated by the Russian authorities. All waste generated by the YRPZ plant, of whatever type, is disposed of appropriately by certified waste disposal contractors. We are continuing our efforts to reduce the amount of industrial waste generated.

The total amount of waste generated in fiscal 2020 was 924 tons, which represented a decrease of approximately 8.3% compared to the 1,008 tons generated in the previous year. That result means that the amount of waste generated per tire produced was 0.008 kg /unit.

In fiscal 2020, we provided 2,392 kg of paper and 29,091 kg of cardboard for recycling. Special paper waste collection areas were arranged in the territory of YRPZ.

## Disposal of used tires

Under the provisions of Regulation dd 09.04.2016 No. 284 issued by the Government of the Russian Federation, for certain specific products including automotive tires, the responsibility of manufacturers and importers is determined, and whereby such are deemed to be assets that are lost to consumers (having become fully-used products), to ensure that such are reliably disposed of, YPRZ shoulders a responsibility

to act in accordance with the regulations. Specifically, the regulations in question present manufacturers and importers of such products with one of two choices. Namely, they can either pay an environmental charge in accordance with a schedule of charges defined by the government, or by themselves or by joining a union of waste processors, they can make guaranteed arrangements for the disposal of such products.

Being a member of the Eco Tyres Union (a union of tire manufacturers and importers that voluntarily acts in accordance with the recycling standards set for tires and rubber products), YRPZ concluded a contract with a recycling company to ensure the common recycling of used tires.

## **Tire marking**

In compliance with the Russian law (Order of the Russian Government dd. 31.12.2019 No. 1958), which is intended to combat illegal tire production and distribution, YRPZ started obligatory tire marking by means of placing a sticker label bearing an individual DM-code (Data Matrix code) to every tire produced. Through the code it is possible to get the true information about place, date and time of tire production, which proves the tire had been produced legally.

## **Reducing water usage**

YRPZ managed to reduce water consumption due to the implementation of a large number of measures. Overall consumption was reduced from 46,187m<sup>3</sup> in fiscal 2019 to 44,086m<sup>3</sup> in fiscal 2020.

In 2020, the following activity was implemented to reduce water consumption:

- We fixed the water leak from the pumping facility to the power station (pipeline was replaced).

## **Managing wastewater discharge**

The wastewater discharged from YRPZ plant facilities is handled properly using reliable methods before discharge into the sewer system.

In 2020, the following measures were carried out to prevent contamination of wastewater:

- Discharge of grease and cleaning of the grease separator: implemented twice per year.
- Sampling of wastewater to control the chemical composition of wastewater: implemented monthly and quarterly.

## **Energy savings**

We recognize the importance of energy efficiency, and we are continuing our concerted efforts to make our energy usage more efficient. In particular, in fiscal 2020, we implemented the following energy-saving

measures:

- Replacement of the lighting in the mixing process and finished goods warehouse (switch to LED bulbs - 321 pcs.)
- YRPZ reduced the idle speed of conveyors in the mixing process.
- Thermal insulation of the steam pipeline in the curing process (gas saving).

## **Biodiversity measures**

Activities under the Green Wave Project were cancelled due to the spread of COVID-19.

# **Fair Operating Practices**

## **Internal controls**

To prevent misconduct, operations are conducted based on a system of managing internal approvals for contracts, purchasing and settlements, etc. Furthermore, internal rules have been established, and checks are carried out by managers, legal affairs and accounting, before approvals are issued by final decision makers.

## **Selection of business partners**

Concerning raw material procurement from new Russian domestic suppliers, we work to handle matters fairly while cooperating with the procurement department of Yokohama Rubber.

When selecting suppliers, we make sure to verify the compliance and reliability of potential suppliers, in order to avoid doing business with firms that are untrustworthy or which are engaged in illegal behavior. To this end, we implement documentary review and enterprise evaluation surveys in advance. As a result, in the period since the YRPZ plant began operation, there have been no instances of signing contracts with suppliers that turned out to be unreliable or engaged in illegal activity.

# **Consumer Issues**

## **Quality management systems**

In fiscal 2020, we have again worked on improving our quality management practices. We successfully passed the surveillance audit for IATF 16949:2016 and ISO 9001:2015. Periodic audit for CCC certification (China) was also passed by YRPZ in 2020.

## **Deliveries to original equipment manufacturers\***

In fiscal 2020 again, we continued to make original equipment (OE) tire deliveries to the Russian factories of Nissan, Toyota, Mitsubishi Motors and Volkswagen.

We are working hard to expand our OE deliveries business. What is more, in fiscal 2020, we were successful in passing all the regular audits conducted by the OE manufacturers.

※original equipment manufacturers

## **Strengthening communication with consumers**

Based on cooperation with LLC Yokohama Russia which has direct contact with consumers as a sales company, we are working hard to gain evaluative information of products from the marketplace.

# **Community Involvement and Development**

## **Internal activities**

On an ongoing basis, the company shall continue to take care in fostering team spirit and a sense of loyalty among employees.

## **Team-building corporate events**

On February 8, 2020, YRPZ held the winter corporate team-building sports event. The event was successful in further strengthening our team spirit.

In December 2020 instead of the traditional NY party held offline, a number of activities (lotteries, quizzes, games) were implemented online through YRPZ social networking sites. The activities were aimed at boosting employee engagement, as well as improving YRPZ employer brand image among potential employees.



Winter corporate event



Special NY gift for YRPZ employee's children

## Soccer team activities

The soccer team of YRPZ continued to demonstrate superior performance and attract and excite its fans and spectators. In 2020, the team participated in the Amateur Soccer League Summer Championship, finishing in first place on the ladder. The team won 11 of 15 games of the tournament. YRPZ soccer team also took part in friendly games and other local tournaments successfully.



Amateur Soccer League Summer Championship 2020 Award

## External activities (Social contribution)

In June 2020, YRPZ supported childcare facilities for a total amount of 1,3 million rubles as a contribution to the fight against COVID-19.

YRPZ transferred 44 sets of summer and winter tires (BluEarth, Geolandar, IceGuard) to Lipetsk Children's Hospital, Special boarding school for mentally retarded children, Non-Profit Charitable Foundation "Children and Parents Against Cancer" and Special boarding school for blind and visually impaired children. The tires were intended for passenger cars used for transportation of medical staff and sick children to medical institutions.

YRPZ also transferred protective equipment including bactericidal air recirculators, no-contact thermometers, hand sanitizers, ulnar dispensers, cleaning agents, face masks and gloves to the above-mentioned institutions as well as several kindergartens for health-impaired children.



Being a publicly open company, YRPZ has shared many items of news – particularly those relating to important company events – with the mass media, as part of our efforts to strengthen communication with the local community and contribute to the favorable corporate image of YRPZ.

In 2020, YRPZ continued to maintain its social networking sites (Instagram and VKontakte). The number of followers increased up to 490 persons and up to 442 persons.

In 2020, YRPZ launched an internal Telegram channel in order to provide timely information about the situation in the company, as well as improve communication between employees and get feedback from employees under the newly emerged circumstances (COVID-19 pandemic and remote work).

YRPZ's official website



YRPZ's VKontakte profile page



YRPZ's Instagram account



# Alliance Tire Company Ltd. Hadera plant

## Business activities

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

## Total site area

17.8 ha

## Number of employees

550 (as of December 2020; includes contracted laborers)

## Location

Plant and corporate offices: Fridlander 1 st. Hadera, Israel

Plant: Tel: +972 46240696 Fax: +972 46240516

## Contact for consultation and complaints

Tel: +972-46240696 Fax: +972-46240516



## Message from the CEO



Ygal Trichter

At Alliance Ltd., we feel it is very important that we be involved in CSR. In being conscious of our position as the Hadera Region's largest employer, as one member of the local community, our company intends to keep being involved in numerous different areas such as education, health, welfare, and youth activities, etc.

As a fact of the Yokohama Rubber Group's CSR policy, the company is committed to contributing to the local community, as it is also committed socially and environmentally by way of its economic contributions. We are also committed to helping the local community develop both economically and culturally. As part of such commitments, we encourage our employees to volunteer locally, and they accordingly respond to such requests as they are received.

Even if there is COVID-19 issue, we would like concerning such interactions developed further as ties that bind the community and the company ever more closely together.

Furthermore, it is our wish that the community and company continue to develop.

## **Organizational Governance**

### **Code of Conduct**

**In keeping with our core values, all employees and members of the ATG Group management team undertake suitable business activities with their emphasis being 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.**

The policy thus expressed covers numerous different domains including our observance of all applicable laws and the responsibility that we have towards our shareholders, etc.

### **Schedule of Authority (SOA)**

Through the company's Schedule of Authority (SOA), within its organizational structure the rights related to the making of various decisions are clarified.

### **Employee handbook**

Through an "employee handbook" which sets out all the company's related policies, everybody who we employ is thus notified as to their details. Employees are also given an overview of the company's processes and their advantages. We also conduct Orientation tours for new employees in order for them to get to know the complete production chain.

### **Whistle-blower 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.

Moreover, concerning disclosures regarding behavior that deviates from the company's basic principles for business and its basic business practices, we respond to them in a manner that is both impartial and fair.

# Human Rights

## Preventing sexual harassment

Within the “Policy for the Prevention of Sexual Harassment,” we prohibit such behavior, and also respect the dignity, freedom and privacy of all individuals as human beings. In doing so we comply with the law so as to protect the gender equality of our employees.

In accordance with that policy, concerning all employees, we undertake to prevent complaints of sexual harassment in the workplace and to offer relief where necessary. We also undertake to protect our workforce from related issues. Our company is obligated to keep a non-hostile work environment.

## Labor Practices

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

The company’s labor practices are in accordance with both the provisions of the Occupational Health and Safety Assessment Series 18001 (the internationally-recognized OHSAS 18001 standards), and the International Standards Organisation Series 14001 (the ISO 14001 environmental management standards).

What is more, concerning its manufacture of off-road tires (OTR), for the purposes of establishing the quality of its products, for maintaining such quality, and shouldering the responsibility of its guarantees, the company has policies concerning matters of quality, the environment, and occupational health and safety.

As to issues of human health and safety, and basic principles regarding engaging in environmental conservation for the benefit of all humankind, such matters represent an indispensable part of our planning and decision-making processes. Thus, we have taken steps to define the following items:

- **We undertake our work while respecting and caring for our customers, for humankind, and the environment.**
- **We achieve customer satisfaction by manufacturing and supplying products in accordance with customer wishes.**
- **We satisfy product quality requirements.**
- **We ensure the occupational health and safety of all stakeholders within the company.**
- **We satisfy our legal compliance obligations related to environmental matters and occupational health and safety hazards.**

Accordingly, we achieve the following aims:

- We protect the environment by making effective use of resources and preventing pollution through the employment of Reduce, Reuse, and Recycle methods, and we manage the emissions resulting from our processes by introducing new technologies.
- By making use of suitable systems and processes that involve all employees, we make sure to prevent injuries and sickness due to occupational safety and health risks.
- We use various forums to promote dialog with all stakeholders regarding health, safety, and the environment.
- We conserve biodiversity in corporate business activities.
- We constantly improve the effectiveness and performance of integrated management systems.

## **Social security and health insurance through collective bargaining agreements (CBAs)**

The company undertakes to offer social security and health insurance to its workforce in accordance with the provisions of the CBAs. Within the 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 in accordance with the occupational health and safety regulations of all applicable states, and every attempt is made not to allow employees to be affected by illegal drugs, alcohol, or controlled substances. Accordingly, the company prohibits the possession, use, sale, purchase, transfer and all other forms of transaction involving illegal drugs, alcohol, or controlled substances. Thus, all company directors and employees have a responsibility to support the maintenance of a safe and healthy workplace by obeying all applicable rules, action standards, the criteria hereto set down, and those sections that pertain to the matter of "safety in the workplace."



Quarterly update by ceo



Open talk with CEO



Birthday celebrations



Holiday toast



ODT Activities



LEAN training



Safety walks

Furthermore, through the CBAs that are in place within the company, for the benefit of all employees and their families, each year we organize and hold a holiday/company social event. Through such activities, we believe that the sense of teamwork among our employees can be further improved and their motivation further strengthened.



A scene from the company trip for employees



## | The Environment

### Environmental data

Category		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Waste generated (t)		1,660	1,550	1,447	1,702	1,480
Proportion sent to landfill (%)		4.7	4.5	5.2	5.0	6.2
Landfill waste (t)		78	70	75	85	92
Energy use (oil equivalent: kl)	Electric power	—	—	5,937	5,796	5,487
	Fuel	—	—	6,132	5,804	5,780
	Total	—	—	12,069	11,600	11,266
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		—	—	30	29	28
Water usage (1,000m <sup>3</sup> )		134	124	134	127	117

※FY: January to December

※Greenhouse gas emissions for the overseas site were calculated based on the Greenhouse Gas Protocol Initiative.

## Environmental improvements

We have been engaged in the following activities so far.

- Improvement of parts for various machines that handle organic solvents and chemicals

We have improved the state of hot water and steam transmission pipeline insulation to prevent energy waste, and we are moving forward with our efforts to further reduce the company's CO2 emissions. 80% of our forklifts are electric, thus significantly reducing noise levels and air pollution in the work environment.



The cement house exhaust pipes (for rubber volatilization using organic solvents) have been improved.



The exhaust pipes for pieces of machinery that handle chemical substances have been improve.



The exhaust pipe for the mixer has been improved.



Natural gas equipment



Carrying out maintenance on equipment that makes use of natural gas.

## Fair Operating Practices

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

In engaging in our operating practices, the following provisions were put in place:

- Concerning the company's employees and directors, with respect to matters of fair competition and trade, in executing their duties they are to comply with all applicable domestic and overseas laws, directives and decisions.
- There are to be no intentional inaccurate descriptions or false declarations made with respect to the operations and products of competitors.
- With respect to all company directors and employees, when they engage in the promotion of the business and in the pursuit of potential opportunities, they are to engage in any acts of communication with while personally behaving and acting in a manner that is ethical.
- Concerning all employees, members of company management, customers, suppliers, consultants, and both agents and persons in positions of responsibility in representing government institutions (both domestic and overseas), they are to be treated fairly in all dealings that are conducted on behalf of the company.

## Community Involvement and Development

### Social contribution activities

We undertake the following activities:

1. Employee blood-donation drives
2. Donations to child cancer patients (in cooperation with the Larger Than Life Association), in which employees willingly make donations and receive small commemorative gifts.
3. Donations of boxes containing sweets to health and medical institutions once a year (Hilel-Yafe Hospital, etc.)
4. Social contribution activities for fourth-grade students at Hadera Elementary School.
5. Donation to " The Or Yarok Association for Safer Driving in Israel.
6. Donation to nited Hatzalah of Israel - fully volunteer Emergency Medical Service organization.
7. Donation to "Hilel Yafe" hospital.
8. Donation to ZAKA is Israel's primary rescue and recovery volunteer organization.
9. Donation to The Paamonim organization - strives to achieve a situation in which Israeli families conduct their economic lives with balance, responsibility and integrity, thereby helping to strengthen Israel's economic and social fabric.
10. Donation to "ALUT" the society for children and adults with Autism in Israel. Social contribution activities for Alavin association Israel.