



Yokohama Tire Philippines, Inc.
Industrial Estate 5, Clark Freeport Zone, Pampanga,
Philippines 2023

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THE SILVER ANNIVERSARY ISSUE
**YTPI THROUGH
THE YEARS**
2021 SUSTAINABILITY REPORT



YTPI Through the Years

The Silver Anniversary Issue

Carrying the name of a globally recognized brand, bolstered with the history of being the first tire manufacturing plant of Yokohama Rubber Co., situated in Asia, outside Japan, while maintaining its ground as the only tire manufacturing company currently operating in the Philippines, it is not surprising for Yokohama Tire Philippines, Inc. to transcend what is expected of it. Needless to mention how it smoothly outperformed the formidable standards set by its mother company—YRC.

What was deliberately imagined and established to be just another manufacturing body of YRC in order to meet the heavy influx of demand from different parts of the globe, has penetrated in every facet of the society in the Philippines. By providing work opportunities to initially hundreds, now thousands of employees, to partnering with local suppliers and partners specially in the automotive industry, down to supporting various causes of the local government, different organizations, and individuals, the company's name is dispersed everywhere that it can be, in fact, considered a part of today's Filipino Community.

Yokohama Tire Philippines, Inc. continues to grow as the most discerning tire maker in the world while keeping a good grasp and connection to its provenance.

Welcome to the 25th Anniversary Sustainability Report Issue of Yokohama Tire Philippines, Incorporated!

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Human Resource Management Section
Purchasing Section
Environmental Management Section
Safety Management Section
Quality Assurance Section
Public Relations and Gen. Services Section

About this Report

Welcome to the 13th annual and Silver Anniversary Sustainability Report issue of Yokohama Tire Philippines, Inc., a subsidiary of the Yokohama Rubber Company Ltd.

In this report, we'll take you through the company's undertakings and activities for the past year as well as the challenges we've surmounted for the past quarter century.

It is a comprehensive summary of the company's performance and updates with regard to environmental sustainability, contribution to the economy and society, growth, and profitability from January 1 to December 31 2021.

This report is comprehensively created based on the G4 standards of the Global Reporting Initiative, demonstrating the financial performance of our company, our product line-up, our manpower, the environment, and the communities in which we support.

The tire company aspires to conduct purposeful initiatives dedicated to the community and the country as a whole, as it continuously grows its business year after year. It aims to produce not only world-class quality tires but also build lasting relationships that impart a beneficial impact on all. We welcome feedback from our internal and external stakeholders.

Please address any questions, suggestions, or comments regarding the content to angelina.casasola@ytpi.com

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About the Cover

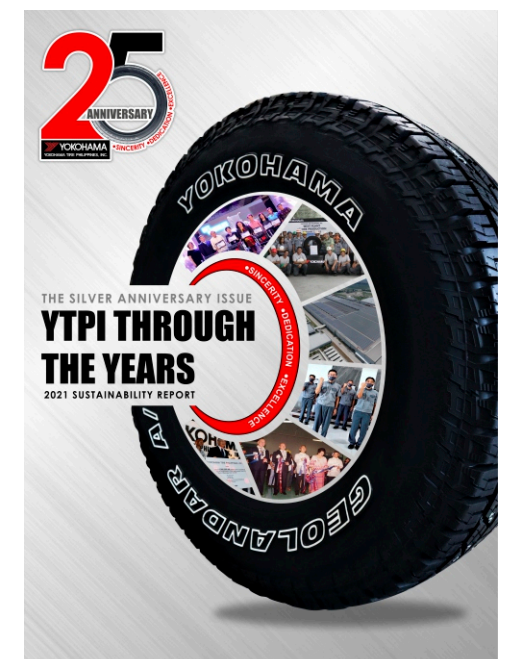
DEDICATION, SINCERITY, EXCELLENCE. The three pillars of values that maneuvered Yokohama Tire Philippines, Inc. for the past quarter-century.

The company's journey to attaining this sterling success is not by any luck but through the coming together of brilliant minds, craftsmanship and exemplary vision.

Where every action is meticulously prepared before being carried out, every decision is actively discussed and viewed from different perspectives, and every new challenge is faced with unwavering positivity- Yokohama Tire Philippines, Inc. found its strength and vantage point in the global market.

As it unfolds new trails ahead, it will and shall continue upholding its commitment of producing tires that are present in every expedition of Yokohama patrons all over the world.

For as long as there are cars, there will be Yokohama Tires!



In April 2021, Yokohama Tire Philippines, Inc. celebrated its silver anniversary.

The last 25 years have been genuinely transformative for YTP's overall position in the global market. In its pursuit of keeping up with the statement **"Manufacturing Tires that People Can Trust,"** the company has faced major setbacks and weathered a number of crises, setbacks that we consider tantamount to our wins and achievements, because without them—the 2017 fire incident, the global pandemic we are currently facing, to name a few—YTP would not have anything to overcome and look back on.

We have mastered and made our way to triumphs over the past two and a half decades, and for that, I would like to express my heartfelt gratitude and sincere respect to all of our stakeholders, members of society, clients, suppliers, partners, and employees who, despite and in spite of it all, have helped our company grow into a major subsidiary of Yokohama Rubber Company, Ltd. and maintain its identity as a highly sought-after brand in the tire manufacturing industry.

We are grateful for the opportunity to give back to the community while we take care of the environment and our employees. Contrary to popular assumption, Yokohama Tire Philippines, Inc. is more than just a tire manufacturing company. It isn't only after raising earnings and sales. The business has long been involved in corporate social responsibility projects while meeting its production and shipment targets all over the world.

Buoyed by our goal to resume business operations and secure the company's sustainability, we hit a major milestone by tapping the record from 2016 for the highest tire production rate recorded in 2021. We have worked tirelessly to improve our business performance to make up for the losses brought by the community lockdowns from 2020. Hence, our collective efforts paid off.

I would also like to take this opportunity to thank all medical staff and researchers across the world for working around the clock to find solutions to mitigate the impact of the coronavirus disease, which brought medical and economic upheaval to us all.

As a company that values the hard work and dedication of everyone, we have contributed to the fight against COVID-19 by providing health and hygiene kits to our employees, donating tires to the local government that are within our reach to be used for their emergency response vehicles and implementing stern measures inside our perimeter to help stop the spread and mitigate the grave threat that this virus poses.

Indeed, we are in this together and it is our individual and collective responsibility to build back and carry on.

Furthermore, in response to the community's shifting demands, our company provided printing materials to nearby public schools who are currently in a modular learning mode as a result of the pandemic. YTP continued and will always be a catalyst for social change through its YTP Scholarship program, which supports deserving but underprivileged college students from various colleges and institutions across the country. We continue to lend a helping hand to our scholars at just the right time.

With regard to the environment, we're now aiming toward carbon neutrality by offsetting our CO2 emissions, increasing our Forever Forest and urban gardening projects, and incorporating solar harvests into our overall plant operations. Our company also took part in donation drives for our countrymen affected by Typhoons and catastrophes as a mark of goodwill and disaster response.

Another important aspect in which we are concentrating is the acquisition of local rubber, which has a favorable impact on the Philippine economy. By doing so, we are assisting not just the traders and suppliers, but also the families of Filipino farmers trying to make a living.

We have also committed to more robust, feasible efforts focused on Environmental Social Governance, with the goal of contributing to the UN's Sustainable Development Goals (SDGs) through our business activities, as well as reliably fulfilling the Corporate Social Responsibilities of a global brand like Yokohama Rubber Company and Yokohama Tire Philippines, Inc.

In the years to come we shall continue to improve and innovate with much enthusiasm and optimism, grounded by utmost humility as we look back on our journey that brought us to where we are now. As we advance in our pledge to produce world-class tires that people can trust, we invite our stakeholders to join us as we aim for greater heights in the coming years.



“

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”



永尾 徹也

Mr. Tetsuya Nagao

13th President and Chief Executive Officer



Japanese cutting-edge technology and Filipino craftsmanship

To maintain a competitive advantage on a global scale, Yokohama Rubber Company, Ltd. (YRC) partnered with JFE Shoji Trade Corporation to establish its first tire manufacturing site in Asia outside of Japan. On April 30, 1996, this venture established Yokohama Tire Philippines, Incorporated (YTPI). Its goal was to manufacture passenger car radial (PCR), recreational vehicle (RV) and light truck (LT) tires carrying the Yokohama brand in the global market. Over the years, YTPI has played a vital role in the distribution of tires that people can trust across the continents and continues to do so up to this day. The company has grown to become one of the main employers in the Clark Freeport Zone, employing thousands of people across the country, mainly in Luzon, and producing millions of tires annually. Since its inception, YTPI has kept its position as an industry leader in technology and innovation for tires all over the world.

Mission

To delight customers by delivering the best tires while caring for the environment and the community.

Vision

To be a trusted tire manufacturing plant with world-class quality.

Core Values

Dedication, Sincerity and Excellence

At a Glance

Company Name

Yokohama Tire Philippines, Incorporated

Mother Company

The Yokohama Rubber Company, Limited

Business Address

Industrial Estate 5 Clark Freeport Zone, Philippines 2023

Current Facility

Land Area: 452,019m²
Factory Area: 265,233.27m²

Business (Manufacturing)

- Passenger Car Radial Tires (PCR)
- Recreational Vehicles Tires (RV)
- Light Truck Tires (LT)

Work Force

- 2,900 Direct Employees
- 673 Indirect Employees

Tire Size Line-up

13 – 20 inch

Our Corporate Philosophy

Producing quality tires is our greatest pride. We are proud of our work and find satisfaction in seeing that the tires we produce meet our customers’ exacting needs and high standards. We aim to accomplish all these at the same time that we work to preserve and protect the environment and the earth’s resources, develop the skill and potential of our personnel, and employ our machines with maximum efficiency and productivity.

This is our Corporate Philosophy. It is a philosophy that we are confident will succeed and will contribute to the well-being of all our stockholders and employees and the economic development of the Philippines.

YTPI MIDTERM MANAGEMENT PLAN

VISION

To be a Trusted Tire Manufacturing Plant with World-Class Quality

MISSION

To delight Customers by delivering BEST TIRES, caring for the Environment & the Community

CORE VALUES

Dedication
Sincerity
Excellence

#1

“Producing Quality Tires is our Greatest Pride”

VALUE INNOVATION 2021-2023

Raise efforts at producing the best tire at lowest possible cost and Create value for sustainable business operations

YTPI MIDTERM MANAGEMENT PLAN AT A GLANCE

RAISE

Raise Efficiency and Reinforce Mudadori

- Produce and Deliver the tires that our customer demands. Provide fast and dependable delivery of orders by improving the process productivity and maintaining a lean and robust inventory management. Minimum Input → Maximum Output.
- Improve employee relations while promoting agile & safe work environment, able to embrace change and act with speed and purpose.

CREATE

Value Creation to improve Financial Integrity

- Gain highly competitive advantage for YTPI-Produced tires (Brand Power, Superior Quality and most Competitive Price among Yokohama Rubber Group)
- Optimize Asset Utilization to improve profitability (Investing to Managing)

TRANSFORM

Environment, Social and Governance (ESG) - driven operations

Embrace the new wave of the future. Greener Strategies and Responsible Operations to address growing expectations from stakeholders.

Customer Value

Asset Value

Social Value

Certifications

OCCUPATIONAL HEALTH & SAFETY

ISO 45001

ENVIRONMENTAL MANAGEMENT

ISO 14001

INTERNATIONAL AUTOMOTIVE TASK FORCE

IATF 16949

QUALITY MANAGEMENT

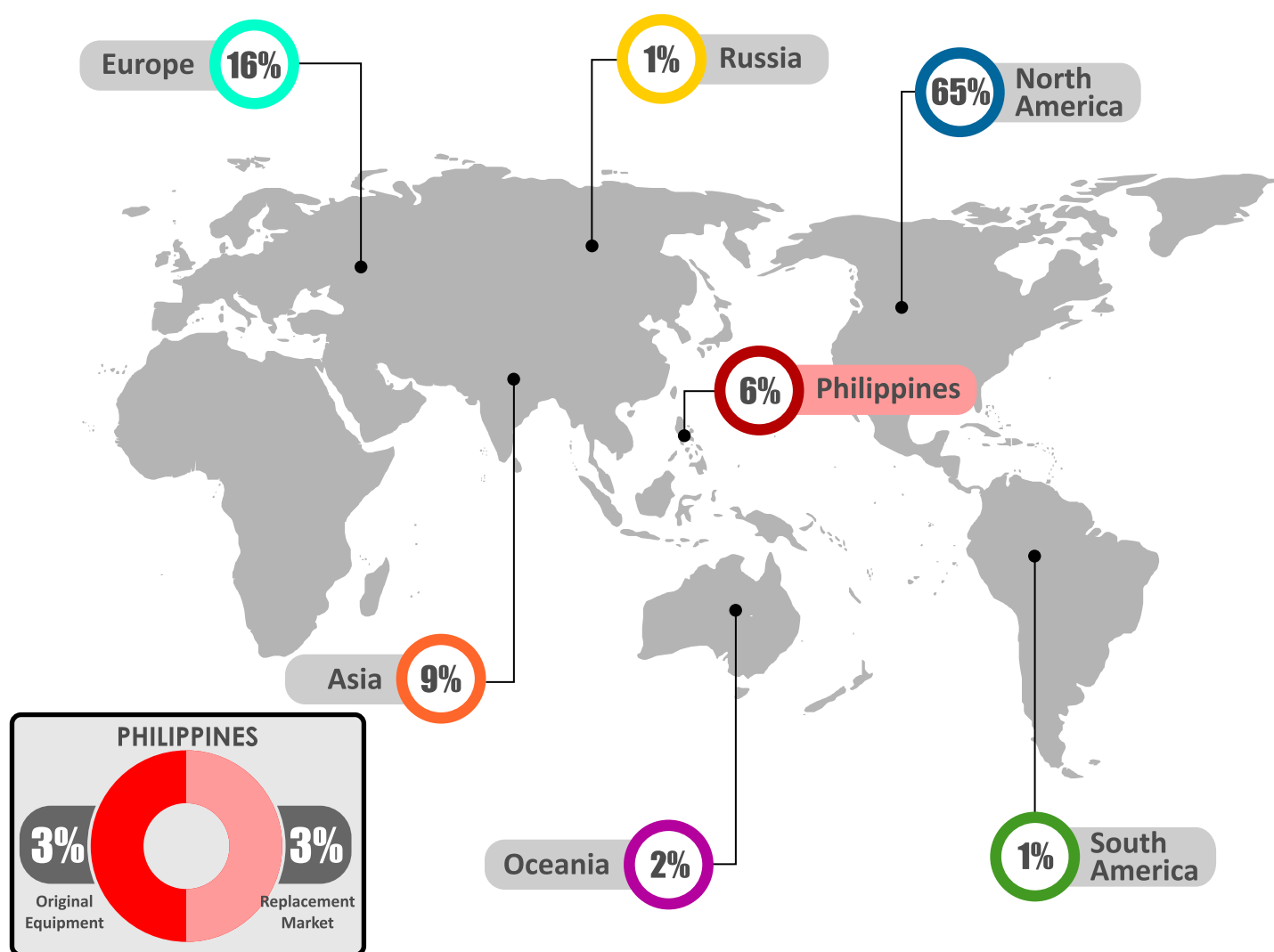
ISO 9001

Affiliations

- Environmental Practitioners Association (EPA)
- Clark Investors and Locators Association (CILA)
- Clark Human Resource Council (CHRC)
- Philippine Management Association of the Philippines (PMAP)
- Safety Organization of the Philippines (SOPH)
- Philippine Society of Training and Development (PSTD)
- Employers Confederation of the Philippines (ECOP)

Corporate data as of December 31, 2021

Product Destination



TIRES YOU CAN TRUST



BluEarth-ES ES32

Provides a well-balanced package of the four core performance traits of any tire-wet grip, wear resistance, durability, and fuel efficiency.



BluEarth-4S RW21

Provides outstanding performance on icy and snowy winter roads as well as excellent dry and wet performance under more normal driving conditions.



ADVAN FLEVA V701

Providing sporty handling, supremely quiet ride and superior wet grip, this environmentally-friendly tire sets a new standard for sport tires.



GEOLANDAR CV G056

The grand touring tire for crossover SUVs, with excellent wet performance and driving confidence even in the snow, delivering responsive handling and greater comfort on the long highway drives.



iceGUARD iG65

The tire that sets a new standard for winter control and safety. iceGUARD tires allow more confident handling on both ice and snow.

We, the Yokohama Rubber Co. Ltd. and our subsidiaries, shall respect human rights and conduct ourselves in a socially responsible manner while promoting the development of sustainable society, observing applicable laws, regulations and rules applying to our activities both in Japan and abroad.

(Excerpt from our Corporate Charter of Behaviour)

Corporate Governance

Acting with integrity is the anchor of Yokohama Tire Philippines, Inc. to establish a strong organizational culture and to preserve the company's ethical compliance, YTPI adopts policies and engages in activities that strengthen its competitive standing in the

industry. While it remains assertive to achieve the company's goals and targets, it gives an emphasis on the interests of its stakeholders and continuously creates and improves a system of controls.

A Strengthened Culture

YTPI's policy on anti-bribery and corruption, as well as the specific guidelines on offering and receiving facilities, is in place and is under direct monitoring of its effectiveness in the organization. In this policy, all members of the organization are given guidance on dealing with third parties. This policy was created to maintain the company's independence towards the public.

policy sets out the scope and purpose of the Philippine Competition Act to the extent of its applicability to YTPI. It also defines a set of guidelines and governing procedures, as well as the measures to be taken against any violations in relation to the defined rules.

Online Compliance Training, with 100% attendance, was held to educate all members about the rules that govern corporate compliance.

To further strengthen the culture of compliance, the Competition Law Compliance Policy was created. This

Whistleblower Policy and FEAR Factor Program

YTPI continuously strives to create an environment of openness where employees are encouraged to raise legitimate concerns without the fear of retaliation. This is being done by actively promoting the Whistle Blower Policy in conjunction with the FEAR Factor Program.

YTPI aims to create a corporate social environment that cultivates growth and strengthens good and propitious relationships among its employees by utilizing the role and duties of the Corporate Compliance and Internal Audit Section and observing a heightened implementation of controls. The company continuously commits to its guiding values and principles and to its never-ending pursuit of excellence and quality.

Whistle Blower System

YTPI has a responsibility to conduct its business ethically and in compliance with the company code of conduct. If you suspect that a particular YTPI employee or officer is engaged in improper activities you should know that YTPI has a program that can show you how to "blow the whistle" and can protect you from retaliation if the need arises.

SUPPORT

YTPI

FEAR

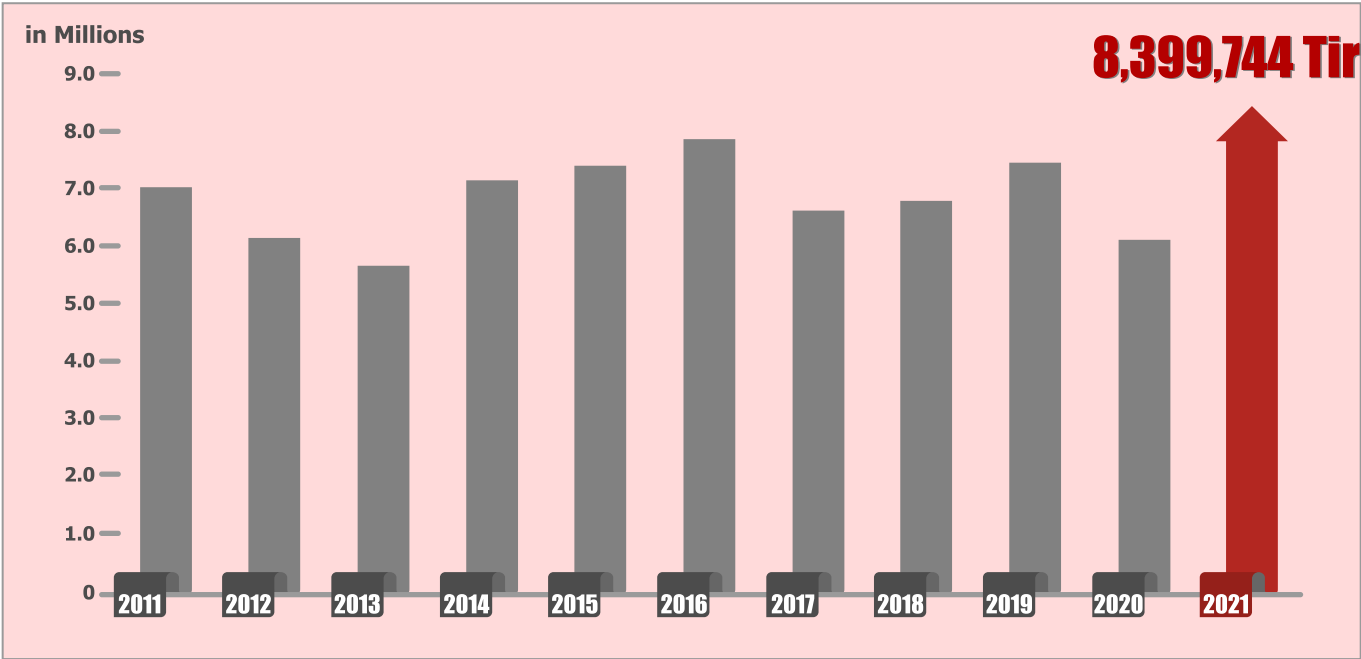
Fraud Elimination & Accountability Role

FACTOR

PROGRAM

Let us support the YTPI FEAR FACTOR program. Report frauds now!
For details: Please contact Corporate Compliance & Internal Audit Section @ local 152

Annual Production Trend (2011-2022)



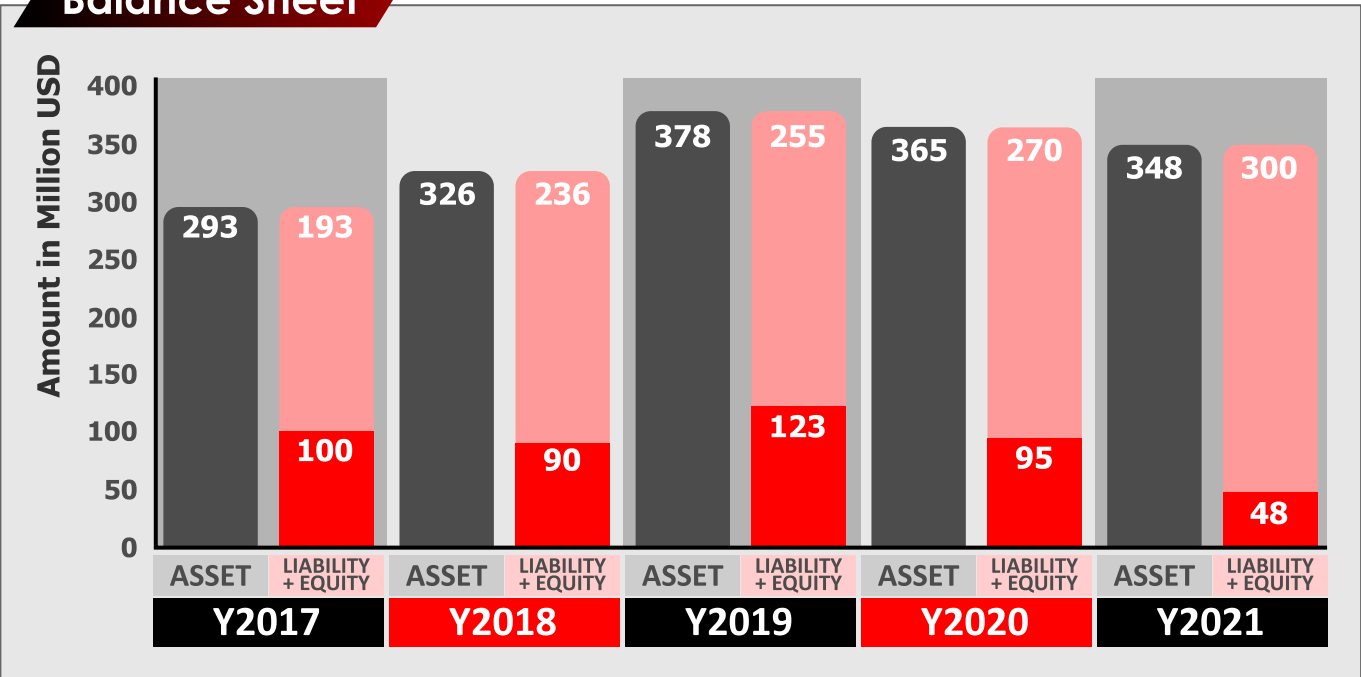
YTPI hit another milestone on its 25th anniversary with the releasing of its record-breaking number of tires produced which is now the highest on record since its inception, outnumbering the digits from 2016.

Consequently, the company's efforts to boost business operations and productivity, YTPI

recognized an increase in sales volume by 46% versus the previous year, with an equivalent of \$109M.

Thus incurring a \$23.8M operating income with reduced current liabilities of around 49%, resulting in a debt-equity ratio of 16%, by far the lowest result for the past 5 years.

Balance Sheet



Sales

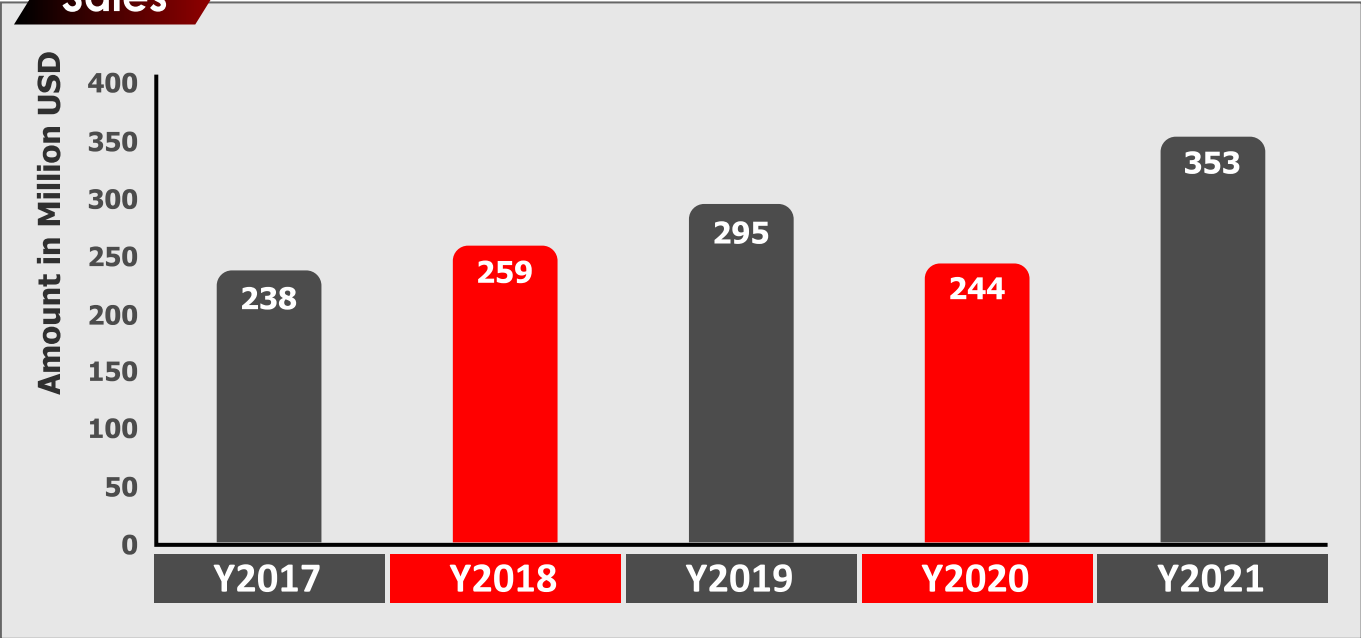


Table above shows the sales trend of Yokohama Tire Philippines, Inc. in the past five years

Supporting Local

In 2014, YTPI started a 'Localization Project' that aims to augment the Philippine economy through the procurement of locally produced materials that are being used in tire production.

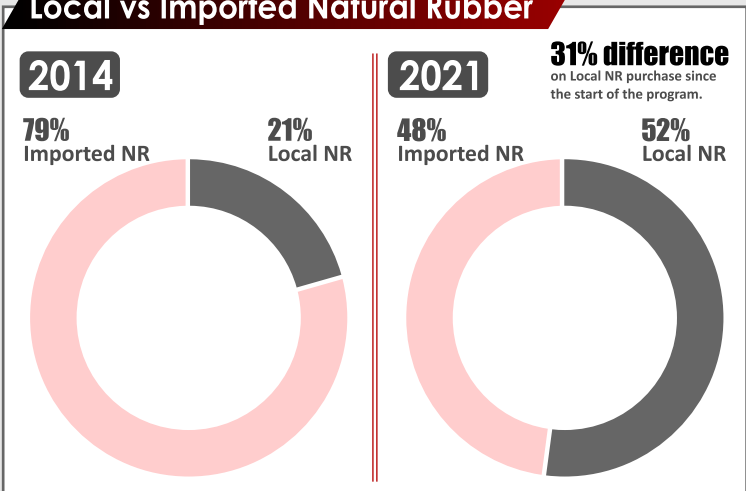
Seven years later, the project arguably showed drastic progress and success. This major step up is backed with the data that shows the continuous increase in YTPI's consumption of natural rubber from the Philippines.

Prior to the localization, YTPI tires are composed of 79% imported natural rubber and only 21% local natural rubber. With the continued efforts to localize raw materials, from 21%, our tires are now composed of 52% local natural rubber, a whopping increase of 31% from 2014.



Natural Rubber from a local supplier in the Philippines.

Local vs Imported Natural Rubber



This localization project benefitted and will continue to be of huge help to Filipino farmers and traders, providing them with a more stable and secured income. Moreover, YTPI continues to localize further in non-critical parts and services not to cut off on production costs but to sustain the country's production industry by patronizing its own produce. Engineering services for capital machines and mold repair services are already localized.

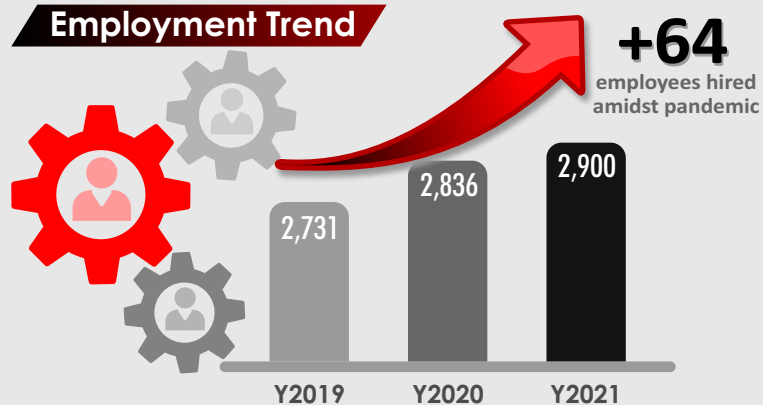
YTPI, along with other Japanese-owned firms and business process outsourcing (BPO) corporations, continues to be one of the largest employers in the Clark Freeport Zone.

In 2021, the company added 64 new employees, bringing its total employment to 2,900 from 2,836 than that of the previous year. Of the 2,900 employees, 42 are managers, 371 are supervisors, and 2,475 are team members. Adding to this count are the 673 agency workers as of December 2021.

Males continue to dominate the company's population at 95% due to occupational segregation by the nature of work.

The majority of employees are based in Luzon, with which, Pampanga remains to be the principal address of nearly all staffs and

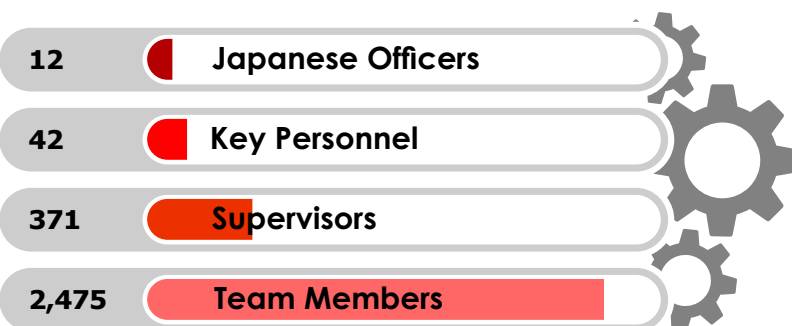
Employment Trend



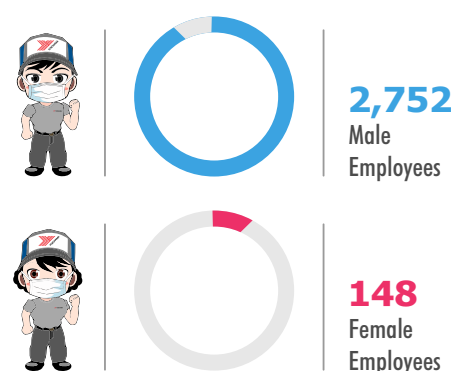
personnel where the company is headquartered. Recruitment and talent acquisition are conducted through different hiring channels and means.

The hiring process is geared toward recruiting residents across the country - those of employable age with the right set of skills and career background, ensuring fair job opportunities for all applicants regardless of religion, ethnic origin, and/or gender.

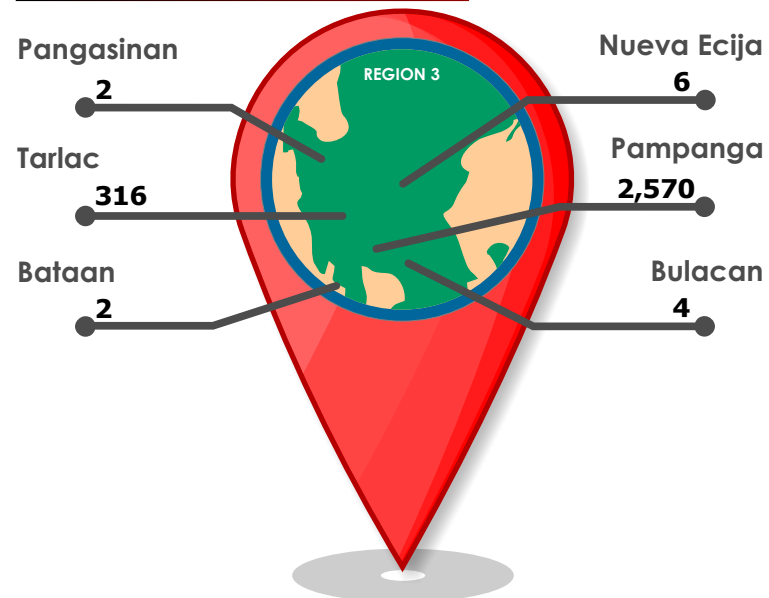
Employment by Rank



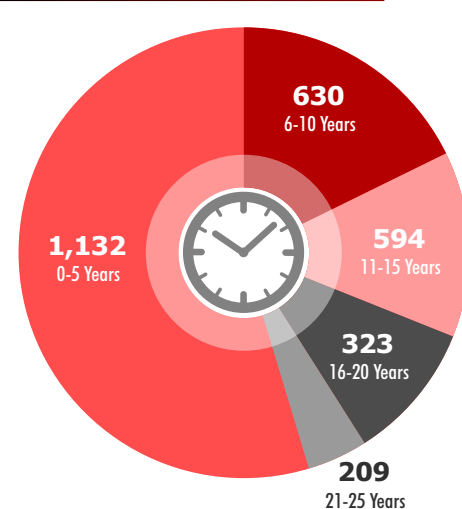
Employment by Gender



Employment by Location



Employment by Tenure



Training and Development

YTPI continues to assist its employees' constant skill and knowledge growth through various trainings and seminars as part of its redevelopment activities. Between January and December 2021, a **total of 4,478 trainings** were conducted. These internal and external trainings aided in the development of nearly 3,000 employees' organizational, functional, and behavioral abilities.

In 2021, the company's focus areas were enhancing the company's safety culture, fostering a collaborative work environment, increasing resilience awareness, and establishing a business continuity plan. Employees completed training and webinars on social welfare benefits, mental health, and coping techniques for COVID-19, as well as how to increase their work productivity.

Training Attendance Report

Team Members

3,281 attendance based on actual internal training
116 attendance based on actual external training
Total of 3,397

Supervisors/ Senior Supervisors

761 attendance based on actual internal training
134 attendance based on actual external training
Total of 895

Section/Department Managers

98 attendance based on actual internal training
88 attendance based on actual external training
Total of 186

Average Training Hours per Employee by Position and Kind of Training

	Internal	External	Total
Team Members	26	18	44
Supervisors/ Senior Supervisors	16	15	31
Section/Department Managers	2	9	11

Average Hours of Training per Employees by Position and Classification of Training

	Functional	Behavioral	Organizational
Team Members	18	4	22
Supervisors/ Senior Supervisors	16	4	11
Section/Department Managers	10	0	

Activities for New Normal Work Life Balance

Virtual Sport Fest

As part of YTPI's 25th anniversary celebration, the company conducted an e-Sports festival and e-Quiz Bee contest, which are similar to a pre-pandemic inter-department sports activity. These virtual gaming events and contests foster camaraderie, work-life balance, good sportsmanship, and improves mental health without sacrificing the observance of employees' safety.





Emergency Response Vehicles Tire Donation

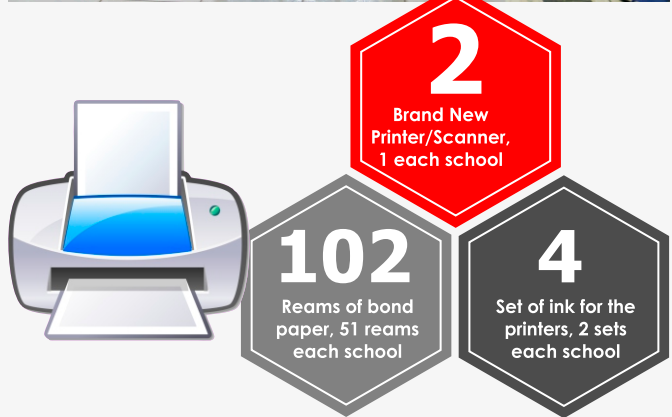
YTPI donated 25 sets of brand new tires to neighboring communities to use in the emergency/rescue service vehicles to aid in the rapid response of their local health units to COVID-19 and other emergencies.



25 sets Brand new YTPI produced Tires

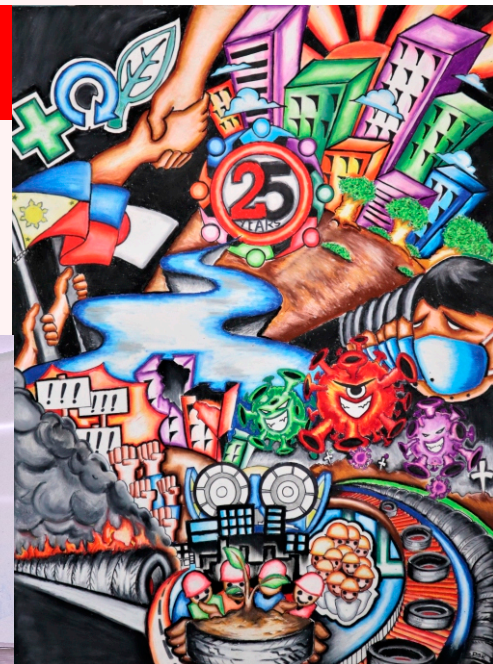
Printing Supplies Donation

YTPI supports and adheres to the needs of the community. The company provided printing supplies to neighboring public schools that are presently under a modular learning set-up as a result of the prevailing pandemic, demonstrating its commitment to ensuring high-quality education.



25th Anniversary Poster Making Contest

One of the anniversary activities was a poster-making contest with the theme 'YTPI through the years: in the eyes of an employee.' The winning artworks are displayed at the east locker room corridor and were used to create the YTPI 2022 calendar designs.



#KwentongYTPI

Yokohama Tire Philippines, Inc., 25 years after its establishment, retained most, if not all of its pioneer personnel from 1996.

To date, YTPI homes a notable number of its trailblazers equipped with knowledge, skills, and stories to tell.

A compilation of testimonies gathered from YTPI employees with 23-25 years of tenure, has been published on the company's official Facebook page to commemorate this historic event, dubbed as #KwentongYTPI.



Silver Anniversary Tokens for Employees

Face masks with the 25th anniversary logo, insulated backpacks, custom-made 2022 calendars, hygiene kits and vitamins were given to each employee as tokens for the 25-year milestone that was made possible by every single one of YTPI's workforce.

To further hype up the anniversary atmosphere, consumable food stubs worth P85.00 were distributed on the exact Foundation day of YTPI.



CELEBRATING 25 YEARS OF BUILDING TIRES THAT PEOPLE CAN TRUST

Filipino Craftsmanship and Japanese Technology



YTPH Milestone Wall

YTPH THROUGH THE YEARS MILESTONE WALLS are displayed inside the company, reflecting YTPH's most significant endeavors and breakthroughs since 1996, with the goal of passing on the YTPH journey to everyone and keeping it alive.

One at the administration office reception area for visitors and applicants to see, and one strategically placed in each canteen for all staff to see during their breaks.

YTPH Through the Years

25 YEARS OF BUILDING TIRES THAT PEOPLE CAN TRUST

1996
On April 1996, the Yokohama Rubber Company, Ltd. established the Yokohama Tire Philippines, Inc. (YTPH) in Clark Freeport Zone, Pampanga. This is the first plant of YRC in Asia, outside Japan.

Registered with Securities & Exchange Commission in April 1996.

The lease contract was signed by then-YTPH President Tadanobu Nagumo and then-Clark Development Corporation (CDC) President Romeo David.

YTPH construction went full blast after the official ground-breaking event attended by then-President Fidel V. Ramos and then-Senator Gloria Macapagal Arroyo.

1997
YTPH technical personnel underwent 1-year training in Japan.

1998 The YTPH plant was officially inaugurated.

Average daily production output was **2,500 tires** per day.

2005 YTPH started the Phase III expansion construction

Ground Breaking Ceremony
3rd Phase Expansion
January 10, 2005

Average daily production output increased to **17,000 tires** per day.

YTPH was visited by then-President Gloria Macapagal Arroyo in relation to the creation of six million jobs for Filipinos as part of her 10-point Agenda.

2006
YTPH celebrated its 10th Anniversary.
As the 10th anniversary CSR, YTPH donated Php 1,000,000 worth of materials for the construction of water supply system for our Aeta brothers.

1999 The ISO 9002 Certification was given to YTPH.



Congratulations
We are now ISO 9002 Certified

Establishment of local distribution and sales of Yokohama-brand tires

The ISO 14001 was granted to YTPH.



Congratulations
We are now ISO 14001 Certified Environmentally Friendly Company

1st Tire East Plant

The 1st Philippine-made Yokohama tire was produced in January 1998. It also marked the start of the commercial production.

2008
YTPH set another record by producing 22,000 tires in a day.
YTPH kicked off its own version of Yokohama Forever Forest, initially planting more than 5,300 native trees.

2009
YTPH officially launched Corporate Social Responsibility as part of the company's mainstream activities.
YTPH switched to using "Orange Oil" in tire production as a more environment-friendly alternative to processed aromatic oils.

2010
The OHSAS 18001 certification was awarded to YTPH

YTPH launched its Quality Education Scholarship Program by partnering initially with Holy Angel University, one of the largest & highly-recognized university in Pampanga.

2011 On May 23, YTPH officially started the construction of the West Plant expansion.

It increased YTPH's total land area from 16.5 hectares to 44.7 hectares. It also ramped up production resulting to a huge increase in number of the company's manpower.

The ground-breaking event was attended by then-Budget and Management Secretary Florencio "Butch" Abad, then-Japanese Ambassador to the Philippines Toshinori Urabe, and then-Yokohama Rubber Corporation (YRC) President Tadanobu Nagumo.

50,000,000th tire

The West Plant Phase I expansion was completed. On February 7, West Plant production officially started manufacturing 8,000 tires per day.

2013

1st Tire West Plant

Average daily production output increased to **32,000 tires** per day.

2014

On October 30, the Phase II of YTPH's West Plant expansion was completed.

2015 YTPH's Biodiversity Program was introduced as part of its Environmental Conservation Activities.

Several endemic and endangered trees were seen thriving at the company's Forever Forest with various bird and butterfly species living within.

2016 YTPH celebrated 20 years of global excellence and performance in building 100% quality tires.

As the 20th Anniversary CSR, YTPH donated wheelchairs to a hundred of beneficiaries from seven institutions in Mabalacat, Angeles, Nueva Ecija, and Tarlac.

The YTPH West Plant was officially inaugurated. Mass hiring of production members commenced afterwards.

2018

YRC President Masataka Yamashita visited YTPH after the fire incident to check on the start of the rebuilding and reconstruction.

100,000,000th tire

2019 YTPH installed its own 4MW Solar Panel rooftop. It is the second largest rooftop solar plant in the country and the largest in Central Luzon.

YTPH built a 1,020m³ rainwater recovery tank to make use of rainwater for industrial purposes.

Despite the momentary slow-down in production, YTPH is among the first companies in Clark that resumed business operations and no employees were retrenched.

2020

YTPH braved the COVID-19 global pandemic by launching its own New Normal Business Set-up and implementation of Covid-19 Protocols with a slogan "Together, We Can Beat This Better." Withstanding the impact of the health crisis, the company continued to contribute to the economic development of the country by generating more employment opportunities, paying its taxes dutifully, and continuously creating profit through fair and honest business activities.

2021 The brand-new East Plant - Phase III was back to full operation after being razed with fire in May 2017.

25 YEARS OF BUILDING TIRES THAT PEOPLE CAN TRUST

YTPH celebrates 25 years of building tires that people can trust and commends the people behind the success of the company.

YTPH commits to remain number 1 in customer satisfaction in the years ahead.





To date, YTPH remains one of the key investors of Clark Freeport Pampanga that produces around

32,000 tires per day and employs over **3,000 Filipino** with a commitment to more years of growth and giving-back.

OUR ENVIRONMENTAL POLICY



“YTPI, a manufacturer of pneumatic radial tires, believes in preserving the environment and earth's resources. It aims to accomplish efficient and effective use of materials and resources through the concept of Reducing, Reusing and Recycling as everyone's concern.
(Excerpt from our Environmental Policy)”

Energy Consumption (Input)

	2019	2020	2021
 Electricity (Nonrenewable) (MWh)	98,150	88,831	110,273
 Electricity (Renewable-Solar) (MWh)	2,600	4,232	652,266
 Fuel (Boiler) (L)	12,165	11,239	13,198
 Water (m³)	633,133	565,319	652,266


YTPI has consumed 24.0% more electricity, 17.4% more fuel, and 15.4% more water this year compared to 2020 consumption, which can be attributed to the increase in production as YTPI resumed 100% operation through the restrictions of pandemic.

Emission (Output)

	2019	2020	2021
 Carbon dioxide emission (kg)	84,333	83,039	95,358
 Wastewater discharge (m³)	335,560	299,619	345,701

YTPI has released an increase of 14.8% on carbon dioxide emission due to energy consumption as well as an increase of 15.4% wastewater discharge, which is again in line with the increase in production output for the year.

Waste Generation

 Total Waste Generated (tons)	2019	2020	2021
Reusable (tons)	78.7	81.1	176.6
Recyclable (tons)	3,515	2,937.7	3,020.7
Landfill (tons)	10.3	9.6	16.1
Hazardous (tons)	79.5	64.7	319.1
Landfill rate	0.28%	0.32%	0.46%
Reuse-recycle rate	97.6%	96.3%	↓ 90.5%

YTPI generated 14.2 percent more waste in 2021 compared to the previous year, which is primarily due to the increased production as summarized in the table below.

Landfill or non-recyclable garbage accounted for 0.46 percent of total waste, which is less than 0.5 percent and qualifies as "Zero Landfill Emission."



The reusable-recycle rate is 90.5 percent, an unachieved rate due to increased hazardous waste disposal and label backing against declining scrap generation.

Waste Management

Promoting the practice of proper waste segregation and disposal, along with the endorsement on reduction of emission and pollution in compliance to legal requirements, YTPI aims to actively participate in the national effort of producing a cleaner and sustainable Philippines.

From YTPI employees to the youth in the community, YTPI shares its innovative strategies and exercises to easily implement waste and emission management through various activities, such as orientations, visual awareness, clean-up drives, and many others.

YTPI CLEAN-UP DRIVE



ZERO WASTE PATROL ACTIVITY



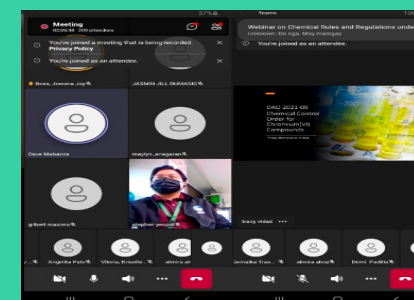
ART FROM SCRAP



CDC-EPA RECYCLABLE COLLECTIONS EVENT



GOVERNMENT COMPLIANCE



Participation to DENR discussions through Zoom and MS Teams

YTPI ensures 100% compliance with all requirements set by the government and other stakeholders of the company. Emissions and other pollutants that may be released by the plant are duly controlled and tested for compliance on a regular basis, with results always being below the required limit. These include wastewater discharge and stack emission from fuel-powered machinery (such as generators and boilers).

YTPI also actively participates in discussions for regulatory revisions and improvements to guarantee that we are always up-to-date on the current status of the environment and are prepared for any upgrades these changes may require.



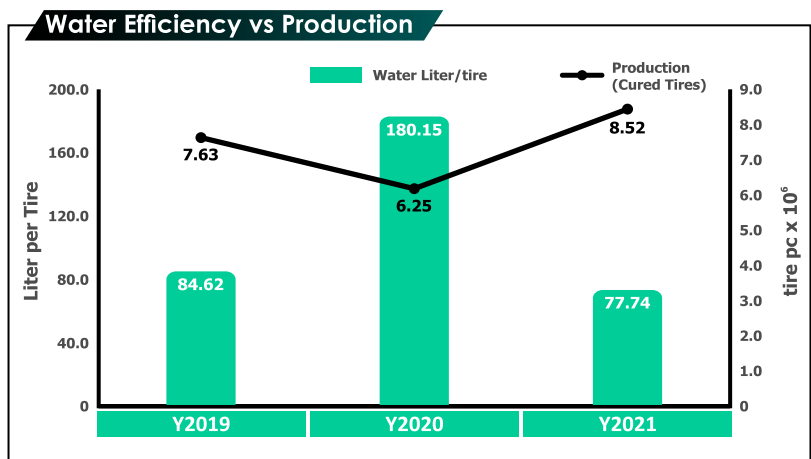
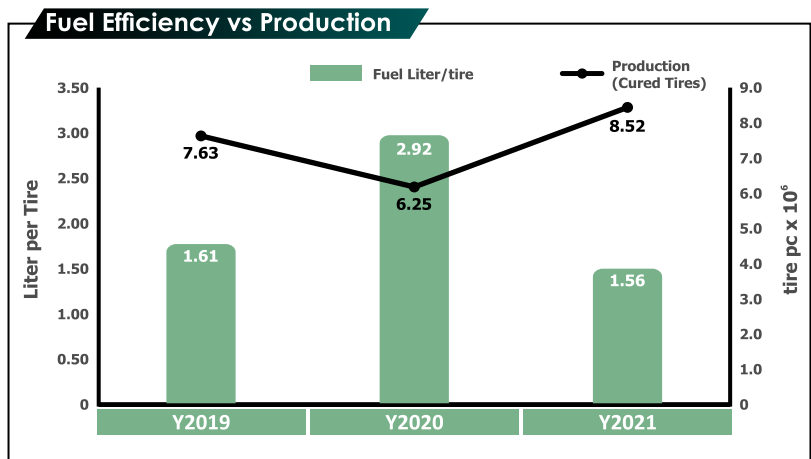
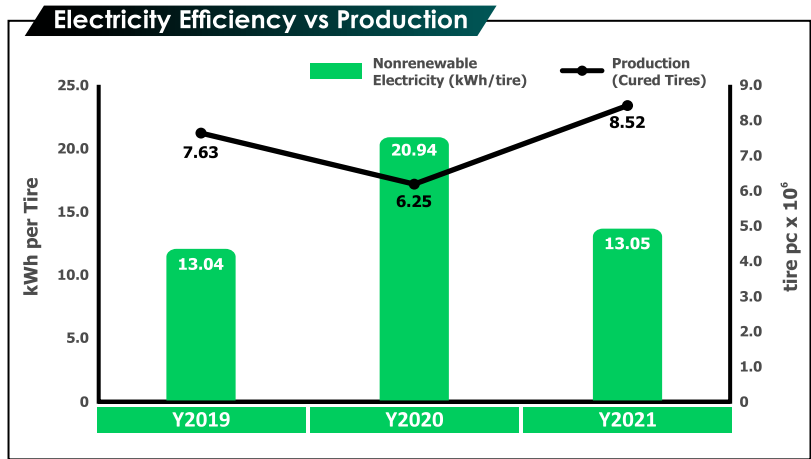
Energy Consumption Efficiency Summary:

Improvements in efficiency observed for electricity, fuel and water as boosts in production experienced for 2021.



Contributing to these are the following conservation activities implemented for the year:

Energy Consumption Efficiency



- 1 Increase in Boiler efficiency**
- 2 Reduction of N2 gas cure**
- 3 Air and steam leak monitoring and corrections**
- 4 Installation of inverters**
- 5 Replacement of steam pipe insulations and steam traps**
- 6 Improvement of machine programs for automatic shut-off during idle time**

BIODIVERSITY



Fifth Expansion of Forever Forest

YTPI scheduled tree planting events for both within and outside of the company premises for 2021, strictly adhering to social distancing procedures and other COVID-19 preventive protocols. This includes trees planted as part of the World Environment Day celebration, the Green Curtains activity, and expansion of Forever Forest Project.

To commemorate YTPI's 25th anniversary, 250 seedlings were planted in Sitio Saw Mill, Sapang Bato, Angeles City

for the fifth expansion of the Forever Forest Project, one of the company's banner environmental projects. From YTPI employees to the youth in the community, YTPI shares its innovative strategies and exercises to easily implement waste and emission management through various activities, such as orientations, visual awareness, clean-up drives, and many others.

A TOTAL OF
310
SAPPLINGS
PLANTED FOR 2021



The total number of seedlings planted for the year is approximately 310. Despite restrictions placed, seedling donations to YTPI personnel and the surrounding community continued, with 35 seedlings donated by the end of the year.

Monthly progress checks are performed to ensure the survival of both the seedlings and the previously planted trees in the area.

In 2021, the promotion of green spaces was also a focus of biodiversity, with sections encouraged to plant vegetables in underutilized areas near their workplace.



OUR HEALTH & SAFETY POLICY

“ YTPI believes in preserving human life, that our employees are our most important assets. We aim to accomplish this by Proactive Risk Assessment and Health and Safety Management System.

(Excerpt from our Health and Safety Policy) ”



SAFETY FIRST CULTURE

The company takes pride in its culture of putting SAFETY FIRST. YTPI continues to promote a safe working environment through various campaigns and programs

2021 Safety Culture



A safe worker + A safe workplace = A happy YTPI family

TEN SAFEMAN RULES OF YTPI



SAFETY WORK MAN-HOURS

In 2021, YTPI achieved more than seven million safe man-hours, zero major incident, two(2) minor incidents and zero (0) work-related fatalities.

All of the company's personnel are constantly encouraged to maintain safety and health awareness in their everyday responsibilities while keeping workmanship in mind.

The following are some of the activities and measures taken by the company to promote workplace safety:

7,726,161.52

SAFETY WORK
MAN-HOURS FOR
YEAR 2021



Hoist Crane Improvement Activities

This year, the Yokohama Rubber Company spearheaded an improvement activity for all Yokohama plants using hoist cranes. This includes standardization of crane

hooks; SOP review and revision, if needed; creation of training videos for hoist crane operators; certification of hoist crane operators; and inspection of hoist crane conditions.

Monthly Risk Assessment

Employees are encouraged to be vigilant on identifying hazards and determining unsafe situations by reporting through the "On-line Risk Assessment" system. The identified unsafe actions are then attended with corrective actions. Rice incentives are given to employees with consistent submissions of valid safety findings.



Summary of Incidents



Counts of Emergency Drills



Safe working environment

Mandatory 8 Hours OSH Training for Employees





Activities and measures performed by the company to promote a safe workplace

President's Safety Audit

A monthly safety audit, headed by the YTPI president, is conducted as part of top management's initiatives to maintain an effective Occupational Health and Safety Management System (OHSMS). The Safety Core Team representatives also discuss safety theme activities and other safety updates for their respective section/process during this audit.



Safety Trainings

Basic safety training, such as motorcycle safety lectures, forklift driving, firefighting, working at heights, and working in confined spaces, were also provided to YTPI personnel by government institutions and private training providers.



Safety Pronouncement: "Safety Chant"

YTPI employees speak safety multiple times a day to remind themselves to always be safe. "Magandang buhay! Let us achieve zero accident!" "Safety first!"



Fire Prevention

This is an annual fire prevention inspection conducted by Japanese officers from the parent company, Yokohama Rubber Co. Ltd. (YRC), in accordance with the YRC Fire Prevention Standard. As YRC Auditors were unable to travel to the Philippines because to pandemic restrictions, YTPI Top Management conducted self-inspection this year. A virtual meeting was held to review the evaluation and audit outcomes.



Fire Prevention Actions and Measures

With the aim of preventing fire incidents within the plant and preparing its employees in case a fire emergency emerges, YTPI created the following measures:

- Assuring the availability of firefighting equipment and maintaining these tools in good condition.
- Proper flammable chemical handling and storage
- Monitoring and keeping electrical equipment and machines in good working condition
- Thermal scanning activities for electrical panels
- Fire prevention education to members
- Creation of a matrix called "Fire Hazard Identification and Determining Controls" (FHIDC) by all sections/processes to identify all sources of fire and establish appropriate controls
- Internal hotwork inspection and permit system
- Inspection of extension cords and power tools



Adaptation to New-Normal

In 2021, YTPI was able to standardize operating procedures, methods, and tools that aid in the safety of employees. Through efficient communication that responded to employees' concerns through flexible adaptation, the company was able to establish workforce confidence. In the face of the new coronavirus strain, YTPI has made a step forward in maintaining plant efficiency while maintaining physical distance and remote working policies.

YTPI prioritizes the health and safety of its employees, their families, and customers while limiting the risk of negative consequences to the company's operations.

The company maintained its campaign on COVID-19 safety reminders continuing with 10-point guideline against the Coronavirus disease:



Installation of automatic (hands free) alcohol dispensers

Installation of barriers in office tables

Ventilation – doors of conference rooms, offices including comfort rooms are kept opened to allow air movement



Selected security personnel designated as COVID-19 protocol marshals

Disinfection activities by all sections (surface sanitiser solution is being issued to all sections)

- Provision of isolation facility for suspected COVID-19 carriers
- Provision of foot bath at entrances
- Daily health declaration for all employees, contractors and guests
- Provision of facemasks and Vitamin C supplements



Health and Well-Being

In 2021, YTPI is among the companies in Clark, if not all of Region 3, to have 99.90 % of its workforce fully vaccinated. This achievement was attributed to a partnership with the city government of Mabalacat.

99.90% workforce fully vaccinated.



OUR
QUALITY
POLICY

Producing quality tires is our greatest pride. We are proud of our work and find satisfaction in seeing that the tires we produce meet our customers' exacting needs and high standards.

Customer
Satisfaction

Driven by the company's passion to provide customers with the tires that they deserve and tires that they can trust, YTPi constantly produces quality tires based on the "Customer First" philosophy and continuously innovates to guarantee customer satisfaction.

The company lives by the tagline, "Japanese technology and Filipino craftsmanship."

To create a culture of compliance in the workplace and to ensure production of world-class and customer-approved tires, YTPi conducts internal and external audits of each process regularly.

Internal Audits

The annual YTPi-QA initiated audits aim to monitor the continuous compliance of YTPi quality management with respect to customer specific requirements, federal regulations, local regulations, and other requirements identified by interested parties.

Average of
97%
Participation from all
Internal Quality Auditors

Quality Management System98%

Product Audit94%

Manufacturing Audit96%

Special Audit100%

External Audits

The company undergoes periodic audits initiated by interested parties to evaluate the company's compliance with their respective regulations. It also includes an annual Third Party Audit, whose purpose is to evaluate the establishment and continuous implementation of the YTPi quality management system in accordance with ISO (International Organization for Standardization) 9001:2015 and IATF (International Automotive Task Force) 16949:2016 regulations.

Moreover, YTPi constantly audits and develops its processes to ensure maximum efficiency and effectiveness of building tires that people can trust.

To date, Yokohama Tire Philippines, Incorporated is certified to ISO 9001 and IATF 16949 for its Quality Management System.

Quality
Certifications

Certification Standards

	Minor NC	OFI
ISO 9001 & IATF 16949	2	0
China Compulsory Certification (CCC)	0	0
Bureau of Philippine Standards (BPS)	2	0
Customer Audit (TDEM) <small>Mass production audit</small>	6	Improvement request Pass CPPP mass production audit

0

Major
Non-
Conformity

Quality Assurance Activities in 2021:

Plant-wide Quality Misconduct Training

In November 2021, a Quality Misconduct Training was done in line with the YRC-QA directive to educate every employee about quality misconduct. Its aim is to proactively address the occurrence of many corporate quality frauds from recent years.

Quality (Trouble) Yochi Training

Quality Yochi Training is a technique to strengthen sensitivity to Quality trouble and ability to focus on Quality. This technique can be used to easily pinpoint the cause of specific quality problem and how will it be corrected to prevent future occurrence in the process.

Inspectors' Visual Acuity Examination

On January 16-17, 2021, all cured tire appearance inspectors from Quality Assurance, Curing, and Manufacturing Common processes underwent Contrasts Sensitivity, Color Vision, Visual Acuity, and Refraction Tests to examine and improve visual capability. These tests are also part of the standard screening criteria during pre-employment and annual medical examination of employees for the abovementioned job positions.

Promotion of Lookback Inspection

At the time of poor appearance discovery, personnel must immediately inform Quality Assurance team regarding the problem and conduct preventive measures (e.g. QR blocking, LFAT and re-inspection) to prevent occurrence of an outflow.

Measurement System Analysis

MSA is performed to increase the accuracy of pass/fail judgment made on visual defects, advancing the quality objectives in an area that is commonly overlooked. At first and final inspection, each member is continually inspecting the tire visually for defects. Afterwards, a decision is made to pass or fail the product.

These pass or fail judgments are extremely important to manufacturing operations because it has a strong impact on production output as well as the process control decision.

E-Quiz Bee Competition

The traditional approach of holding a quality quiz bee has given way to an electronic quiz bee (E-Quiz bee). The activity began on November 26, 2021, as part of our Quality Month initiatives. It drew 11 teams from the manufacturing and support divisions, as well as SMs, DMs, and JOs, to cheer for their teams. The RMIC section Emerged as Champion in the aforementioned activity.

The activity reminded participants of the quality management system and tire technology fundamentals. It also raises staff awareness of the significance of YTPi's "LIFELINE"-Quality. Furthermore, it communicated that quality is a standard that applies to all QA activities and raised awareness of new communication approaches that may be utilized to adapt to the new normal and building back efforts.

Corporate Social Responsibility

As the country's only tire manufacturing company celebrates its 25th year anniversary, it continues to give back to the community, especially to the locals around Clark, where YTPI is located.

Through its Public Relations and Corporate Social Relations section, the company connects to its beneficiaries who are of big importance to it.

Aware of the impact of quality education to the lives of many deserving yet financially challenged college students from five universities and state colleges from all over the country, the YTPI Scholarship has been the company's front and center among its CSR causes.

Furthermore, the company has collaborated with the local government and even more schools in the community in developing and targeting the social needs where YTPI may offer help and service.

Some of the CSR projects we've undertaken that align with the United Nations Sustainable Development Goals are enlisted below.

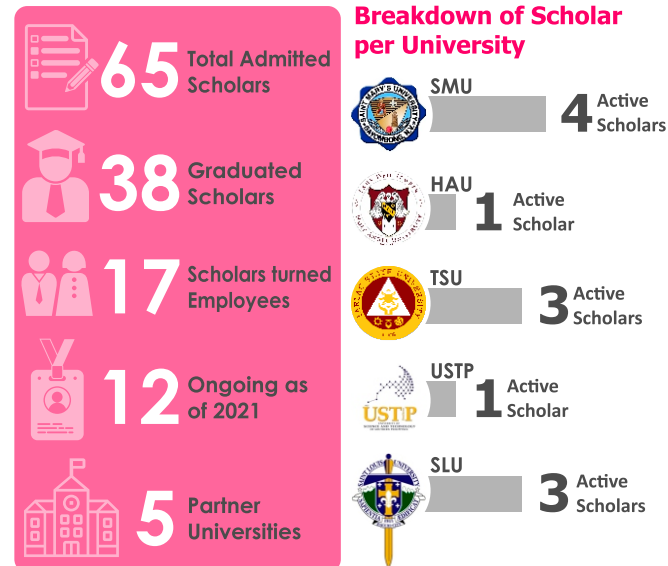


Education and Employment

Yokohama believes that a nation's prosperity is largely dependent on its children's education, thus the company continues to prioritize 'YTPI Scholarship Program' as one of its CSR initiatives to help alleviate poverty and dwindle the ballooning unemployment rate in the country especially now that we are in the midst of a pandemic.

Scholars in priority courses such as chemical engineering, mechanical engineering, electrical engineering, information technology, and accounting are being supported by the company.

Holy Angel University, Tarlac State University, St. Louis University, St. Mary's University, and the University of Science and Technology of Southern Philippines have all maintained a partnership with the corporation, with a total of 20 continuing scholars as of this date.



Lactation Room

In 2021, YTPI relocated and renovated its lactation room in accordance with the company's commitment to becoming a mother-friendly workplace. Encouraging mothers to lactate and store milk for their newborns.



Donation: Typhoon Odette

Yokohama Tire Philippines, Inc. (YTPI) donated P100,000 worth of sacks of rice to Clark Development Corporation's Corporate Social Responsibility arm (CDC). This YTPI project is in response to the government's request for donations and post-disaster relief efforts to assist families affected by Typhoon Odette.



Urban Gardening in YTPI Grounds

One of the company's new and timely internal initiatives in response to the prevailing pandemic, food insecurity, physical and mental health awareness, and biodiversity-driven actions brought about the - YTPI URBAN GARDENS.

Located in 10 different area inside the manufacturing plant grounds, gardens are being maintained by employees from different sections, subconsciously encouraging them to be mentally aware of the importance of incorporating vegetables and fruits to their daily diet and living sustainably. Aligned with this, the daily task of watering and checking in on the crops bolsters the assigned employees' mental and physical exercise in the most imperceptible way possible and as much as the environment is concerned, another goal of the Green Space activity was to promote biodiversity, as propagation of vegetables brings about increase in variety of plant species which may also attract increase

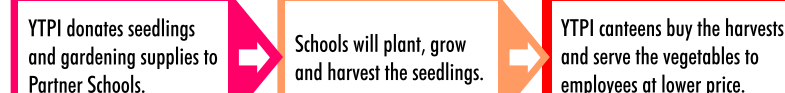


in variety of wildlife (ie. insects, butterflies, etc.) Assistance towards carbon neutrality was to be expected as well as aside from being able to reduce about ~43 g of carbon per square meter of planted vegetables, increased vegetarian diet also can decrease each person's carbon footprint for ~0.3-0.5 tons per year.

Adopt a School Garden: 3-way CSR

In 2021, YTPI partnered with three (3) public school gardens in Mabalacat City for the Gulay ay Buhay Project, in which the company donated seedlings and gardening materials to selected schools in exchange for purchasing 80% of the harvest in order to assist the schools in funding school projects such as the Feeding Program and Community Livelihood Program. This 3-way CSR project is the off-spring of the above discussed Urban Gardening Initiative.

Vegetables purchased are then distributed to canteen partners located within the YTPI facility for inclusion in the daily menu at discounted prices for YTPI personnel.



YOKOHAMA TIRE PHILIPPINES, INC.

BOARD OF DIRECTORS

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General Manager of Tire Planning
Department
The Yokohama Rubber Co., Ltd

Hiromichi Kasamatsu
Department Manager
Tire Planning Department
The Yokohama Rubber Co., Ltd

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Executive Vice President
Plant Operations Division

Mr. Juanito Arona
Vice President
Plant Operations Division

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Vice President
Phase 3 Restoration Project Leader



Atty. Rachelle Aileen Santos
Corporate Secretary

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President and CEO

Ms. Angelina Casasola
Vice President Administration Division

2022 TARGETS

SAFETY



Safety Excellence thru
well embedded Safety
Culture

0

Major & Minor Incident
Light Incident
Fire Incident

Environment



Greener and Responsible
Business Conduct thru 3R
Framework (Reduce,
Reuse & Recycle)

0

Environmental Claim
Emission (Landfill Disposal)
less than 1%
Energy consumption **reduction**

Quality



Quality as the foundation
of YTPi-made tires.

0

Market measures
OE claims
OUTFLOW reduction by **50%** vs 2021

Cost



Do more with Less
Cut out on surplus

100%

Sales/shipping
target achievement

Human



Empowerment of Human
Capital focused on
Organizational
Development

Operator's Morale up

Upgrade
Supervisor's Education