

CORPORATE SOCIAL RESPONSIBILITY SUSTAINABILITY REPORT 2012



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For the community, we conducted notable services in order to show our commitment in helping them develop skills on how to provide for themselves. As the old proverb says *“Give man a fish and you feed him for a day, teach him how to fish and you feed him for a lifetime.”*

Mr. Tetsuya Kuze
President & CEO
Yokohama Tire Philippines, Inc.

Message from the President & CEO

In FY2012, we were able to sustain our CSR activities by strictly following our framework. This framework paved the right direction and aligned our activities towards becoming a sustainable and responsible company. The first half of FY2012 was indeed a good one. We were able to get a foothold on our business operations by focusing more on the basics that helped us to sustain our business operations and provided an opportunity for us to check more on our ideals as a corporate entity engaging on CSR.

For the community, we conducted notable services in order to show our commitment in helping them develop skills on how to provide for themselves. As the old proverb says *“Give man a fish and you feed him for a day, teach him how to fish and you feed him for a lifetime.”* The participation through volunteer work shows that our community relations is very active in reaching out to the local community is going through. Moreover, I hope with this culture, we will be able to encourage other companies to do the same activities as well.

For economic, the most challenging part was the 2nd half of FY2012. Our business operations were greatly affected by the economic downturn that made us rely more on the steadiness of our management system. Despite the challenges that confronted us, we learned to apply our knowledge and turned our experiences in the past as our most valuable asset, especially during this period. By optimizing our resources and cautiously monitoring our expenditures, we survived this ordeal and continued to work with maximum efficiency, using minimal resources.

For the environment, we always make sure that we are working efficiently to provide the best quality products by using resources at minimum consumption. This enabled us to monitor our carbon footprint and work with lesser environmental burden. Our activities speak for itself on how committed and how serious we are in going green. The Forever Forest project is a yearly activity we want to extend beyond our borders. I hope someday we will be able to apply and teach this concept to other institutions and organizations as well.



Our West Plant Expansion is another challenge that confronts us. Along with the responsibility of managing the manufacturing operations of this growing company, one of the risks involve is how we will be able to contain and balance its effect to the community and the environment. Along with the growing figures of our production, environmental concerns also increase and for that reason, I want YTPI to respond to these challenges by involving all levels of our company, each and everyone, from team member to top management is involved and by working in one objective, we will be able to execute all duties and responsibilities in harmony with the community.

For FY2013, we must be strict with our ideals and focus on our mother company's GD 100 management plan. Moreover, we had formulated business strategies in concordance with this business plan.

We will continue to promote initiatives that will further strengthen our CSR foundations. We will encourage our neighbors and stand as a good example of good business practices to compare with theirs. This exchange is mutually beneficial as we will be able to gather and share ideas which are vital to the sustainability of each.

With this, I am very elated and optimistic that we can face the imminent business challenges with full enthusiasm. Our determination will steer us in the right track to practice CSR within and beyond.

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CSR Management: The YTPi Way

CSR Perspective

GD100 Centenary of Yokohama Rubber Co., Ltd.

Vision

Evoke a distinctive global identity in building corporate value and in building a strong market presence.

Basic Policy for Fulfilling Vision

Deliver the best product at competitive prices and on time.

Assert world-class strengths in technologies for protecting the environment.

Foster a customer-oriented corporate culture that honors rigorous standards of corporate ethics.



Corporate Philosophy

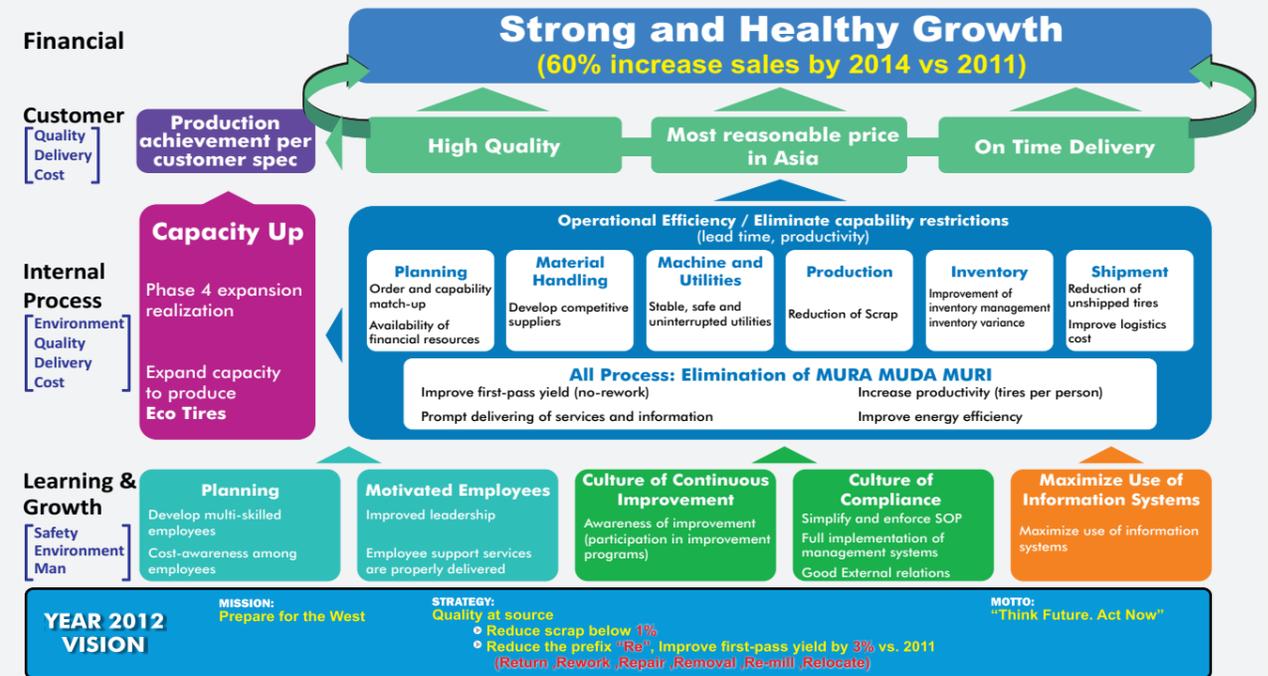
Producing Quality tires is our greatest pride. We are proud of our work and find satisfaction in seeing that tires we produce meet our customer's exacting needs and high standard.

We aim to accomplish all these at the same time that we:

- a.) work to preserve and protect the environment and the Earth's resources
- b.) develop the skills and potentials of our personnel
- c.) and employ our machines with the 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 to the economic development of the Philippines.

YTPi Mid-Term VISION 2012-2014 (GD100 Phase III)



» CSR Vision Statement

- YTPi envisions itself as being a catalyst of sustainable and most relevant CSR Programs to *give back to the community and people* through *committed partnerships*.

» CSR Mission Statement

- CSR shall be based on thrust of Environmental Protection, Education, Community Welfare and Services and Culture of Respect for Individuals.
- CSR is based on tripartite partnership of Company, Employee and Community for Program Sustainability and Involvement.
- CSR shall promote a culture of volunteerism and selflessness among all stakeholders to work together for others.

» CSR Framework

Triple bottom line approach that concerns not only the financial but also social and environmental aspects. We believe that "Running a Good Business" does not only focus on earning and profiting but also on the contribution that we give to the society as well.



Yokohama Tire Philippines, Inc.

In its aim to be globally competitive, The Yokohama Rubber Company (YRC) partnered with JFE Shoji Trade Corporation (formerly Kawasho Corporation) to establish its first tire manufacturing facility in Asia outside of Japan. This joint venture in April 30, 1996 created the subsidiary company named Yokohama Tire Philippines, Inc. (YTPI) aimed to produce "Yokohama" brand passenger car radial (PRC) and recreational vehicle (RV) tires for the global market.



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 customer's exacting needs and high standards. We aim to accomplish all of these at the same time that we work to protect and preserve the environment and the earth's natural resources, develop the skills and potentials 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 to the economic development of the Philippines.

YTPI's corporate philosophy embraces all the above considerations under the banner of "Japanese High Technology and Filipino Craftsmanship." Maintaining the critical link between this ideal and its fulfillment involves sensitivity to changes in current trends in order to identify user needs of the future. In practical terms, it requires the development and use of ever more advanced technologies from Japan and the skills of Filipinos.

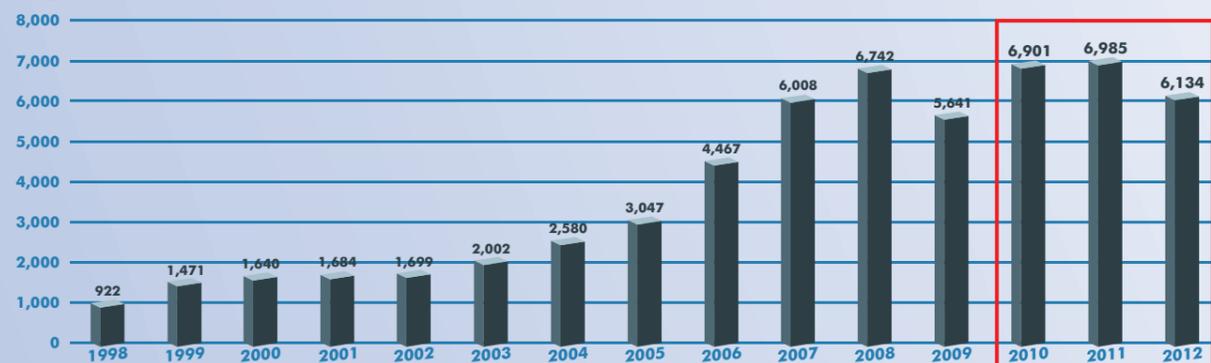
Company Information

Company Name:	Yokohama Tire Philippines, Inc.	President & CEO:	Mr. Tetsuya Kuze
Incorporation Date:	April 30, 1996	Number of Employees:	2,080 (Regular)
Address:	IE 5 Clark Freeport Zone, Philippines	Plant Capacity:	22,000 tires per day
Shareholders:	Yokohama Rubber Co., Ltd. - 96.62%	Certifications:	OHSAS 18001:2007
	JFE Shoji Trade Corporation - 3.38%		ISO 14001:2004
Paid-up Capital:	US \$52.34 million		ISO/TS 16949:2009
Total Lot Area:	447,000 m ²		ISO 9001:2008
Total Building Area:	186,261.52 m ²		

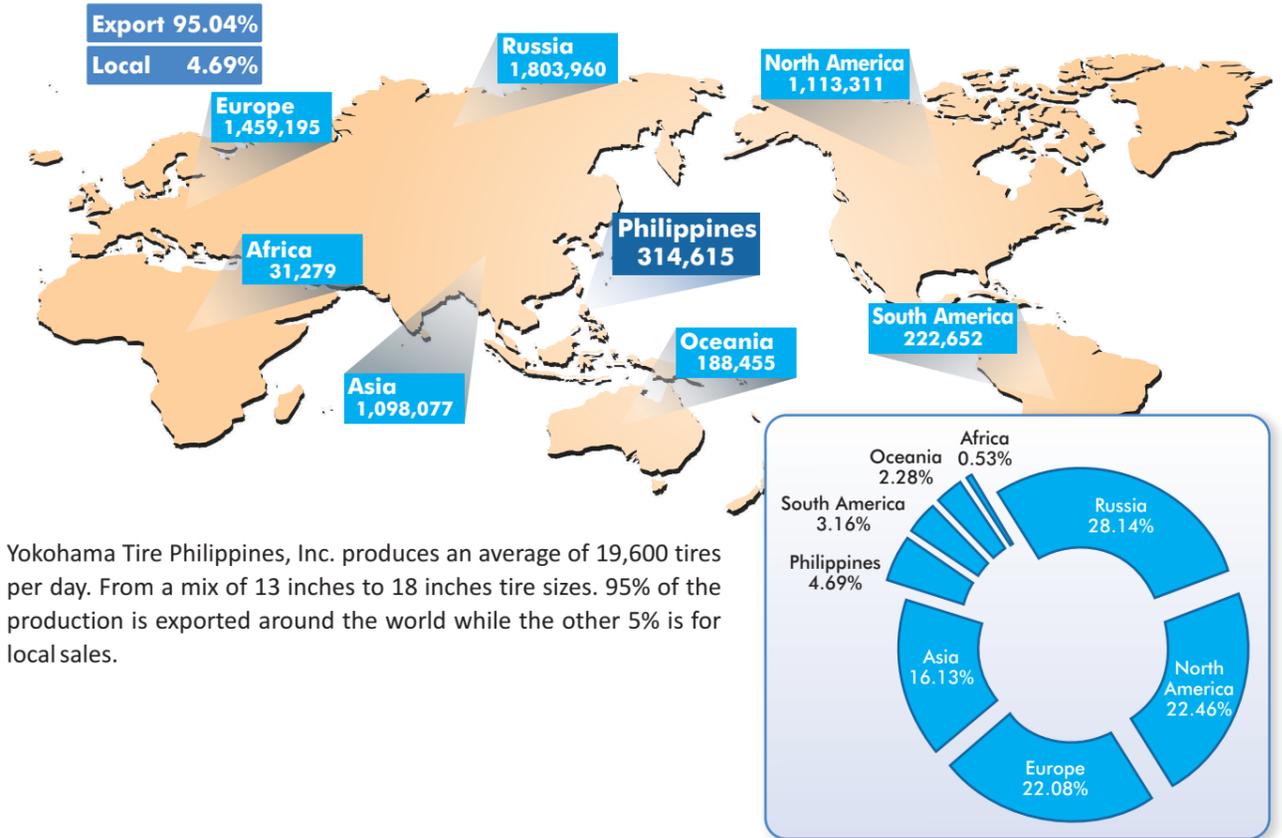
Production History

Annual Production Output

Tire pcs (in thousands)



Product Destination



Yokohama Tire Philippines, Inc. produces an average of 19,600 tires per day. From a mix of 13 inches to 18 inches tire sizes. 95% of the production is exported around the world while the other 5% is for local sales.

Total Assets and Net Sales

The overall financial performance for FY2012 showed good progress compared to FY2011. Net income posted is \$14.6M compared to only \$8.5M from previous year. This is despite the recession incurred in Europe during the 2nd half of FY2012. Also, operating profit had shown improvement with end result of 7% margin compared to only 4% of FY2011.

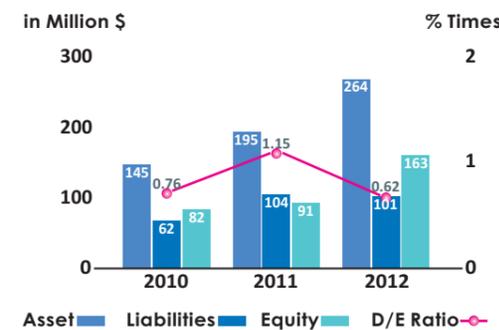
Nevertheless, the good financial performance is expected to bounce back by FY2014 in anticipation for the sales and production growth of 53% - 60%.

YTPI's net worth is expected to show continuous improvement with the projected growth. As early as FY2011 the investment for the expansion started, and the repayment for the capital investment will be until FY2017. The expansion project is expected to increase the production capacity by 60% and will cater the tire requirements of North America.

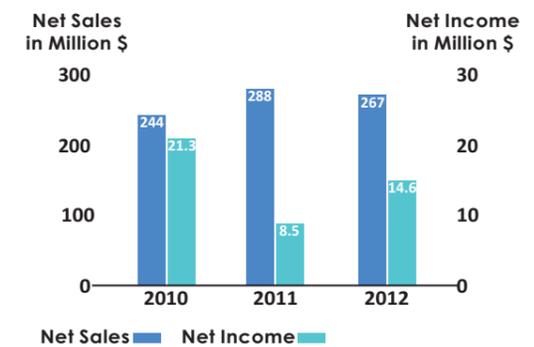
For FY2013, the production of the first part of the West Plant expansion will commence. A decline in overall net income as well as operating profit margin is expected due to initial production related expense, increase in fixed costs and financing expenses.

Financial Statement

Balance Sheet



Net Sales and Net Income

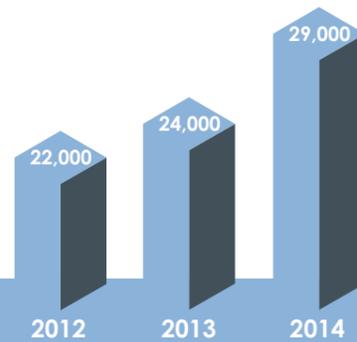


Below are the certificates that show our never-ending commitment to pursue international standards.

Expanding Operations



Yokohama Tire Philippines, Inc. (YTPI) already finished its West Plant Phase I expansion and will start the Phase II expansion in May 2013. With a total investment of 11 billion Yen, the Phase II expansion will enable an increase of 2.5 million tires in the annual production capacity of YTPI. It is targeted that operation at Phase II will start in 2014 and the company plans to begin full-fledged production in FY2015. The annual production capacity of YTPI is expected to reach 12.5 million tires by the time the Phase II expansion is completed.

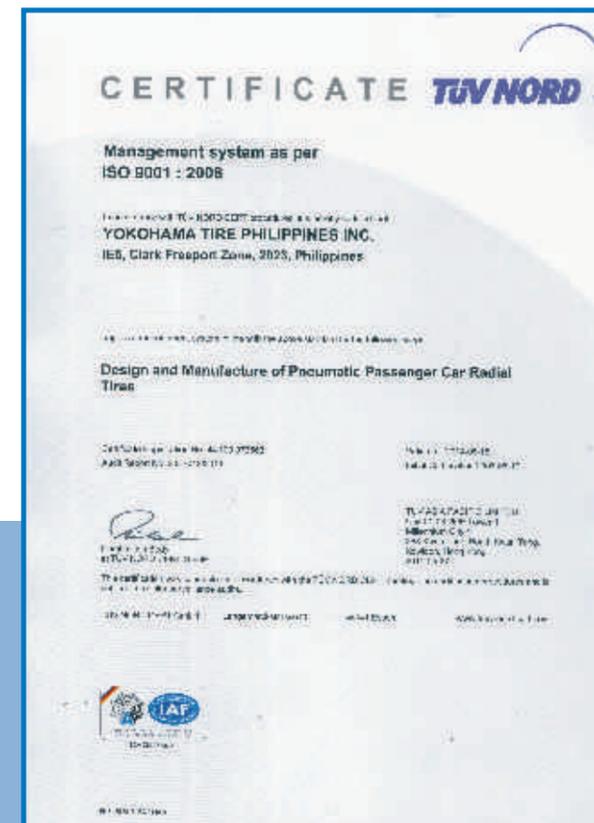
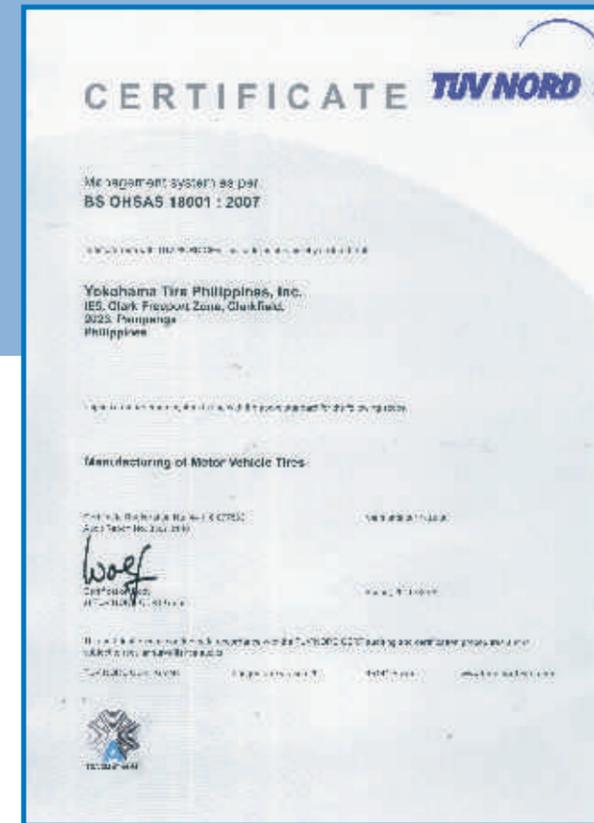


WEST PLANT (PHASE I) PROJECTION



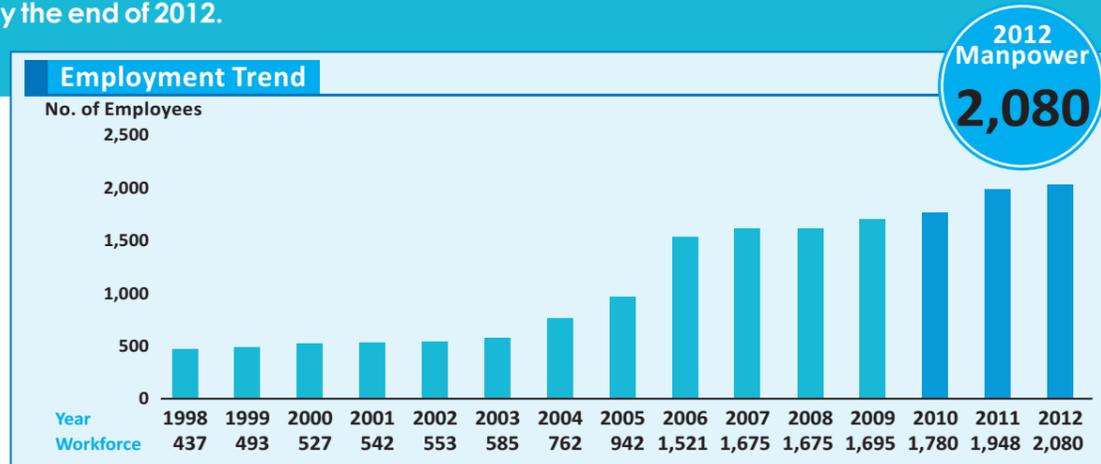
Mr. Tadanabu Nagumo, Chairman and CEO and Representative Director of Yokohama Rubber Company, Ltd. (YRC) during his site visit on the West Plant Expansion on August 15, 2012.

With the West Plant Phase I expansion completed as scheduled, its operation will begin in February 2013 and will enter full-fledged production in 2014. The Phase II expansion of this time also is based on the initial plan.



Manpower

We are committed in promoting equal opportunity employment and believe in opening careers for the healthy competition of individuals who possess attributes for the performance of their duties. At the start of operations in 1998, YTPi just started with just 437 employees which expanded to 2,080 employees by the end of 2012.



Workforce by Category

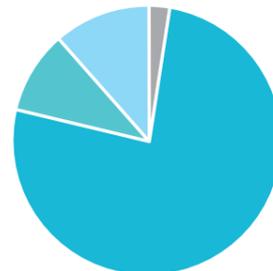
The success of YTPi relies on having a diverse workforce composed of employees which consists of skilled workers, operators and technicians (1081), middle management composed of supervisors and engineers (208) and management (42). Our workforce are composed mostly of male employees (1,952) who are mainly assigned in production and technical work while female employees (128) are assigned in the office.

In addition to promoting equal opportunity employment, YTPi is also engaged actively in providing employment to residents of Pampanga and its nearby provinces which in turn helps in raising the bar of employment rate in the Philippines.

As of FY2012, majority of our workforce reside in Region III, mainly in Pampanga, Tarlac and Bataan. A number of employees also come from other provinces and the National Capital Region.

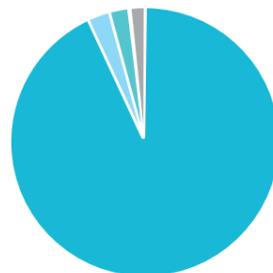
Workforce by Rank

Management	42
Supervisor	237
Team Leader	208
Team Member	1,593



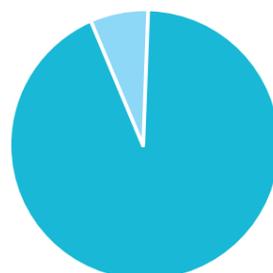
Workforce by Region

Region I	16
Region III	2,406
NCR	11
Others	7



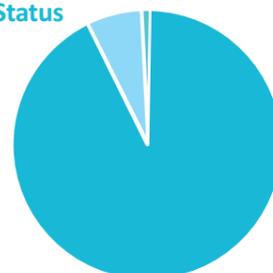
Workforce by Gender

Male Employees	1952
Female Employees	128



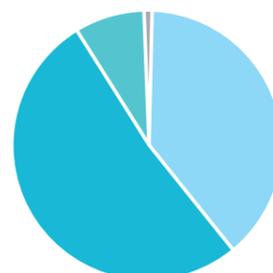
Workforce by Employment Status

Regular	1940
Probationary	139
Contractual	1



Workforce by Age Group

Age 20-29	814
Age 30-39	1084
Age 40-49	172

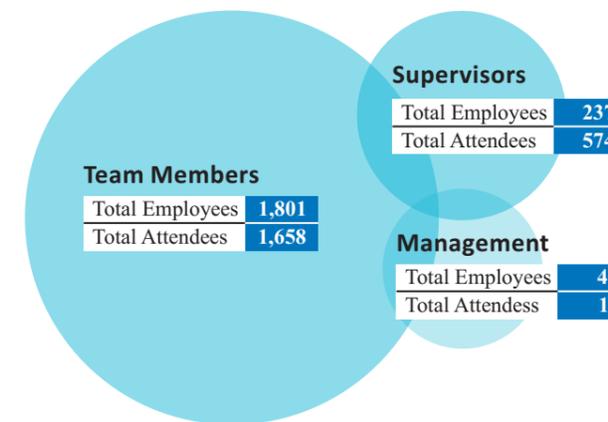


Trainings and Seminars

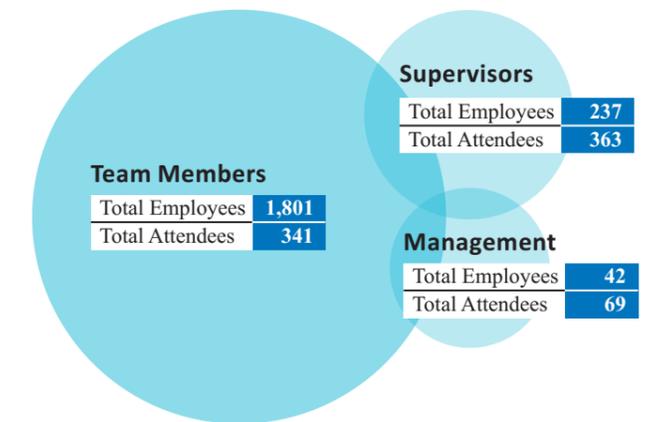
Every year, we increase human capital through training and development of our personnel from Team Members to Top Management. This is a clear proof of the management's effort to optimize knowledge, skills and attitude in the workplace that supports the company's vision and mission.

Training Attendance Report

Internal Training



External Training



Training per Employee by Position and Classification

Behavioral trainings are soft skill trainings focused on behavior, abilities, attitude, habits, personality traits, personal attributes and people skill. Functional trainings are centered on technical skills, specific area of expertise in process, technology, functional area as a knowledge or skill, generally acquired through education or some form of studies.

Training programs that are conducted/facilitated by company qualified trainers to employees either in-house or outside the company are considered as internal trainings. Trainings conducted by external training provider whether in-house or outside company premises are considered as external trainings.

Functional and Behavioral Training Ave. Hours

Team Members

Functional	11
Behavioral	2

Supervisors

Functional	35
Behavioral	9

Management

Functional	20
Behavioral	7

Skills Enhancement

Behind our company's success is its people. We provide challenging opportunities to them by providing a dynamic work environment and career advancement opportunities through trainings and seminars.

Eight Discipline Approach

Eight Disciplines of Problem Solving (8D) is a method used to approach and resolve problems, typically employed by quality engineers or other professionals. Its purpose is to identify, correct and eliminate recurring problems, and it is useful in product and process improvements. It establishes a permanent corrective action based on statistical analysis of the problem (when appropriate) and focuses on the origin of the problem by determining its root causes.



Basic Leadership Training

Basic Leadership Training is a 4-hour program which aims to provide knowledge and develop leadership among team members and leaders by encouraging them to possess and practice the qualities of a good leader. This seminar/workshop is designed to give full relevant information and fun learning activities that teach the participants the basics of leadership by leading themselves.



Newsletter Writing Seminar

The Newsletter Writing Workshop enabled its participants to write timely and relevant articles effectively that will help them connect with their target audience. Moreover, the workshop deepened their understanding on writing manuscripts and other relevant documents.



Sectional Team Buildings

Sectional Team building develops a section's efficiency and effectiveness in achieving a common goal which can be done through improving the interaction and understanding of team roles. This forms a stronger bond between each team member providing a more effective coordination.



Interviewing and Selection Skills Enhancement Workshop

Interviewing and Selection Skills Enhancement Workshop is a 4-hour learning workshop designed to further equip course recipients in qualifying and selecting new talents who shall fill in the upcoming job openings. Moreover, the ability of personnel involved in making objective decisions and sensible recommendations to fast-track deployment are enhance which are essential to selection process.



Labor Management Council Team Building

Labor Management Council (LMC) Team Building is a two-day activity aimed on improving the working relationships of each LMC representative. As leaders and representatives of employees, this activity strengthened their ability to communicate with each other towards performing their roles.

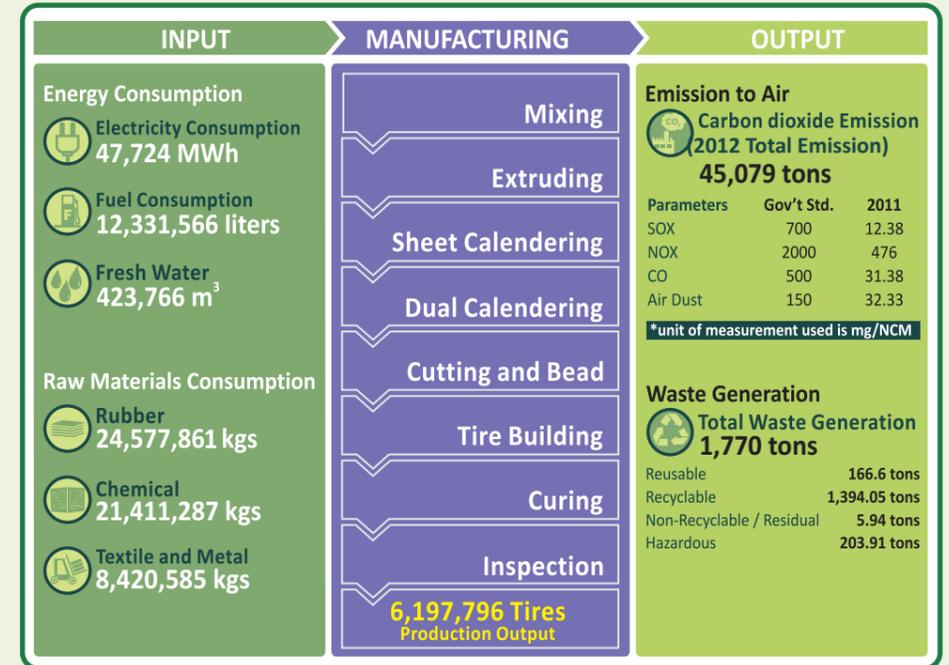


environmental report

Environmental Protection and Preservation: Our commitment that drives us to effectively implement different measures and actions to conserve energy, water and other resources we use to produce tires.

RESOURCES CONSUMPTION

In 2012, Yokohama Tire Philippines, Inc. (YTPI) was able to produce 55,558 metric tons of tires that is equivalent to 6,133,771 pcs. of tires. This is 12% lower than our 2011 production resulting to decrease in use of resources: 16% less rubber, 22% less chemicals (various) and 7% less metal and textile. Energy use also decreased from 2011. As a result, YTPI used 15% less fuel and 8% less water. However, amount of purchased electricity increased by 7.6% due to transfer of some loads from generator to National Power Corporation (NPC) supplied electricity. This action resulted in greater savings in terms of fuel use. This reduction in use of energy resulted in 9.7% less carbon dioxide emission.



In the course of our production, it is also inevitable to generate waste. For 2012, YTPI generated 1,770.5 MT of waste. It is composed of 9% reusable wastes like pallets and other containers, 78.4% are recyclable items which include our in-process scrap and scrap tires, 11.52% are hazardous wastes, and only 0.33% of the total generated wastes are residual waste (or wastes that are disposed to landfill).

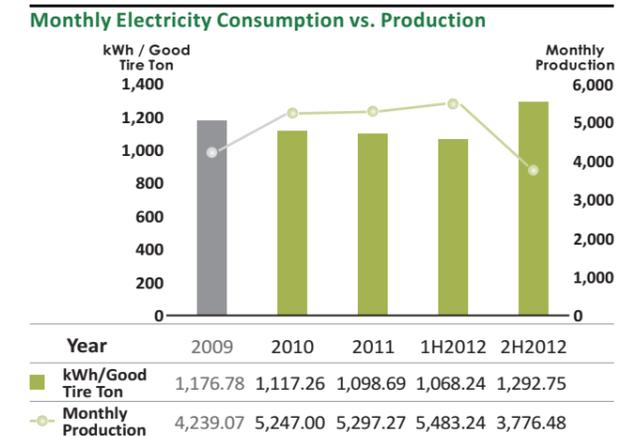
Energy Consumption Efficiency

Electricity (NPC & Generator). The actual electricity used, both from NPC and the generators, decreased by 7.45% from 2011. However, if we are to look at the amount of electricity used per ton of good tire produced, it would appear that the use of electricity is not as efficient as 2011.

In 2011, YTPI used a monthly average of 1,098.69 kWh per good tire ton. But in 2012, the amount of electricity used per good tire ton averaged 1,187.72 kWh monthly. But it has to be noted that production trend in 2012 differs from 2011. In 2011, production averages at 19,400 tires per day. This is close to the production during the first half of 2012, which averages at 19,900 per day and an efficiency of 1,068 kWh per good tire ton. This is a 2.78% improvement compared to 2011 performance.

However, for the second half of 2012, production averages at 14,000 tires per day only and this greatly affected the

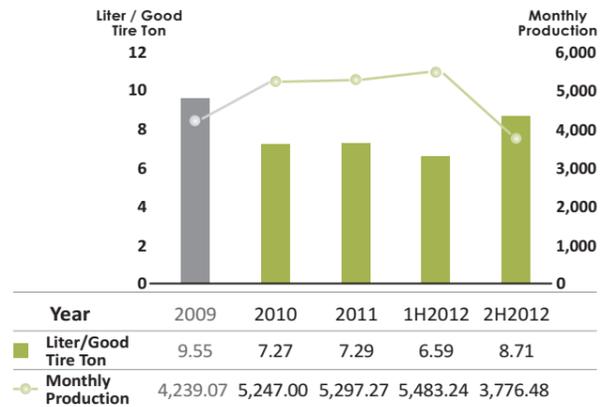
electricity performance which then amounted to an average of 1,307 kWh per good tire ton per month. This situation in the second half of 2012 is comparable to what had happened in the previous global economic recession.



Water. YTP's environmental performance in terms of efficient use of water has the same trend as electricity. Water consumption rate for 2012 is at a monthly average of 7.78 m³ per good tire ton, 6.7% higher than 2011. However, it should be noted that the production towards the second half from 19,900 tires/day during the first half to 14,000 tires/day.

For the first half of 2012, water consumption rate is at a monthly average of 6.59 m³ per good tire ton. This is a 9.6% improvement compared to 2011 which is at 7.29 m³ per good tire ton per month. However, during the second half of 2012, the water consumption rate went up to 8.97 m³ per good tire ton per month.

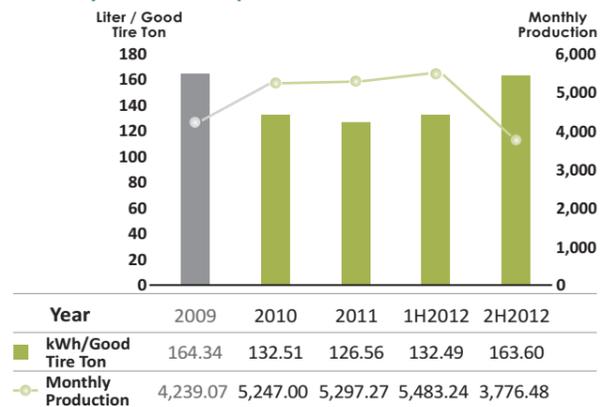
Monthly Water Consumption vs. Production



Fuel. Consistent with the first two parameters, fuel consumption rate is also better during the first half of 2012 than the second half. However, if 2012 performance is to be compared with 2011, it will be noted that there is a 3.17% increase from 2011. Aside from the production issue, this is mainly due to the change in steam pressure at Curing machines.

In January 2012, the steam pressure was increased to 1.00MPa due to quality issue causing increase in the fuel consumption (January 2012 consumption is at 135L/good tire ton). Then in March 2012, the steam pressure requirement was brought down to 0.98MPa, still higher than the requirement in 2011, but the decrease in steam pressure also caused decrease in fuel consumption.

Monthly Fuel Consumption vs. Production



Waste Management

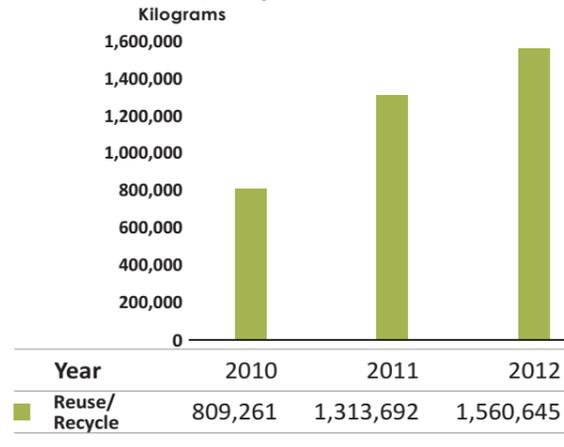


Targets and Results

Proper waste management is one of the key Environmental Management System in YTP.

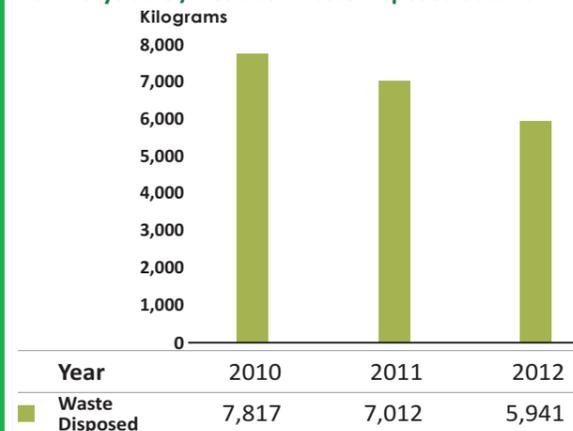
Reuse-Recycle Rate. Reuse-Recycle Rate is the fraction of the total generated wastes that are reused or recycled. In 2012, YTP targeted to have its Reuse-Recycle Rate at 88.5% or higher. Although the target was not achieved as the Reuse-Recycle Rate was at 88.23% only in 2012, it must be noted that there is an improvement as compared to 2011 during which the Reuse-Recycle Rate is at 88.07% only.

Waste for Reuse / Recycle



Non-Recyclable Waste. Non-recyclable wastes are wastes that are being disposed to landfill. And as the landfill sites have limited space, it is essential that reduce our generation of non-recyclable wastes. In 2012, YTP targeted to have its non-recyclable waste to be below 653.8 kg per month or around 0.3% of the total generated waste. However, the actual landfill rate for 2012 reached 0.335% which is 11.67% higher than the target rate.

Non-Recyclable / Residual Waste disposed at Landfill



Waste Management Activities

One of our EMS activities is the reclassification of wastes into simpler categories to make it easier for members to properly segregate their wastes. With this new classification, the difference between recyclable and non-recyclable wastes was emphasized which resulted to the improvement of Reuse-Recycle Rate and the reduction of wastes disposed to landfill.

Another activity is the introduction of the Waste Management Re-Orientation for Employees. In this re-orientation, the new waste classification is taught to employees for them to identify which waste falls under each classification. Other waste management activities are discussed in the orientation such as the Recyclable Collection Event and Proper Handling of Hazardous Wastes.



Supplier Accreditation

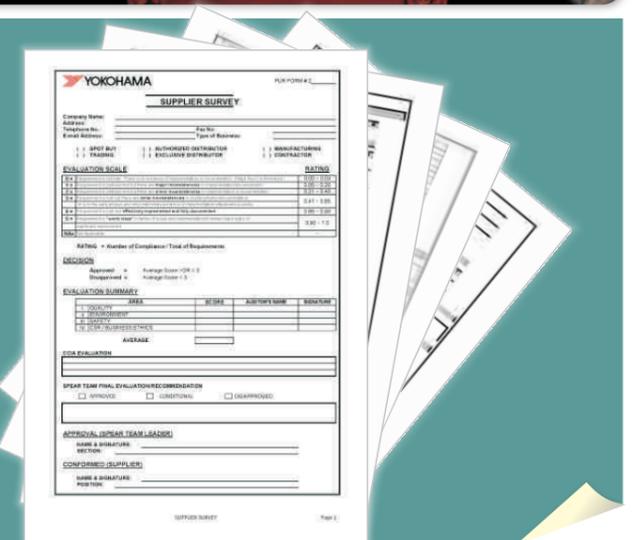
Our Purchasing Section is practicing sustainable procurement to meet the need for goods and services with the least damaging effect to humans and environment. With the help of Purchasing Section, we are committed to take this in all of its procurement decisions.

One of the premise of being accredited as supplier is if the company has an Environmental Policy. They will be provided a Survey Form that they need to accomplish and ratings will be kept confidential. This will be verified by conducting audit on the company with selected members from YTP.



Supplier Survey Form

Alongside with the representatives of our Safety, Environment Management, Quality Assurance and Technology, and Engineering sections, we are able to conduct audits and accreditation reviews through the Supplier's Performance Evaluation and Accreditation Review (SPEAR). We can assure that our suppliers comply with the requirements essential to provide adequate services and resources which enable us to manufacture products that suit the needs of our customers.



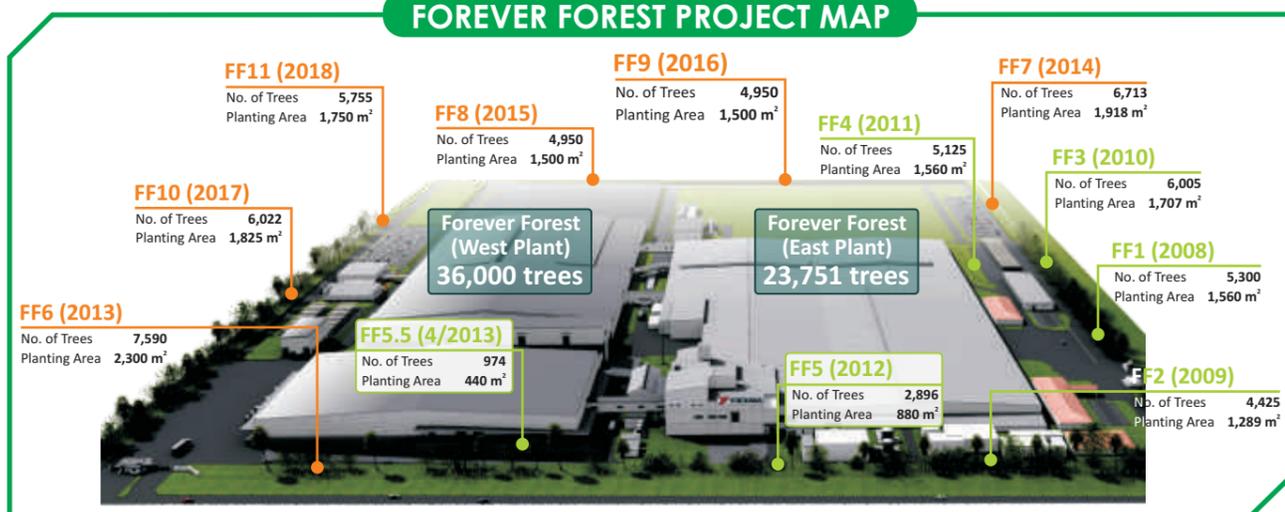
Yokohama Forever Forest is a tree planting activity that aims to develop forests around the major plants of Yokohama Rubber Company (YRC). And as part of YRC, YTPi has committed to successfully execute this program within its perimeter.

Last December 8, 2012, YTPi in partnership with YTSPI (Yokohama Tire Sales Philippines, Inc.) planted 2,923 seedlings in 880 m² planting area. This was named Forever Forest 5 (FF5) since this project is on its fifth year of implementation.

The area was planted with 24 varieties of native seedlings like anang, balakat, kupang, kalumpit, molave, ipil, toog, etc. These seedlings were planted by 329 participants that included YTPi and YTSPI employees and together with representatives from the local government agencies.



FOREVER FOREST PROJECT MAP



YTPi will continue to hold Forever Forest Project until its perimeter has been surrounded with trees. And with the expansion project in 2012, it may be expected that Forever Forest Project will continue until 2017 or, maybe, even beyond. The plans for Forever Forest have already been laid out. The sites and their estimated sizes were already gathered as well as the possible number of trees that will be planted.

During 2012 Forever Forest more than 35% or 1,031 seedlings came from YTPi's own nursery. It is a goal of the company to achieve 100% self-seeding by FF6. That's why as early as the first quarter of 2013, EMS has already started gathering seeds from the trees at FF1 and FF2.

FF and Beyond

YTPi also holds tree planting activities outside its perimeter. In 2012, YTPi has participated, whether in actual tree planting or through donation of seedlings, in six (6) tree planting events of schools in the nearby vicinity. On September 21, YTPi donated 100 seedlings to Sta. Teresita Elementary School. In November 16, YTPi together with 100 Boy Scouts and Girl Scouts of Tacondo Elementary School planted 100 seedlings. And in November 23, 50 seedlings were planted within the perimeter of Calzadang Bayu Elemen-



Seedlings that were donated during these activities came from YTPi's own nursery.

YTPi plans to continue donating and planting seedlings with the nearby communities. We plan to start as early as June, the start of classes and rainy season, to ensure good survival rate of the trees would increase.

tary School. On November 29, 100 seedlings were planted at a site in Lubao, Pampanga. And on December 13, 2012, 300 seedlings were planted at a site in Brgy. Sapangbato.

Environmental Activities

It is imperative that we involve everyone within our reach in activities that contribute to environmental protection if we want them to learn how to value all our environmental goals and objectives. Hence, YTPi never cease in conducting various activities which aim to inculcate the importance of the environment to everyone.

Environment Month

Like in the previous years, YTPi again joined the world in celebration of Environment Month 2012 last June with the theme "Green Economy: Does It Include You?". Various activities were done to promote environmental preservation and protection. Among the activities was the re-launching of YTPi Nursery as it is moved to a new area. A Slogan Making Contest was also held. And seeing its success in the previous year, the ZERO Waste Marathon was again held to inculcate in everyone the proper waste segregation and to promote the new waste classification scheme. Films and documentaries about the environment were also shown at Canteens 1 and 2 for the whole month of June.



ISO 14001:2004 Re-certification Audit

The ISO 14001:2004 Certificate of YTPi issued on November 12, 2009 has expired last November 11, 2012. But before that date, YTPi has managed to maintain its certification through a Re-certification Audit conducted by TUV Nord Philippines, Inc. last September 19-21, 2012. Re-certification was granted to YTPi effective until November 11, 2015 after the successful audit.



Clean-up Drives

Last March 29, 2012, some members of the Team ZERO (Zero Emission Responsible Officers) participated in the Bocaue River Clean-up which was organized by the Department Environmental and Natural Resources (DENR) – Region 3 in celebration of World Water Day.



And last September 15, 2012, the EMS participated in the International Coastal Clean-up at Subic Bay. Every year, YTPi makes an effort to participate in worldwide activities that aim to bring back the cleanliness and beauty of the environment.

Waste Management Orientation for Students

Since its launching in 2011, Waste Management Orientation for Students has been one of the constant activities of YTPi together with donation of trash bins from recycled materials. In 2012, YTPi visited three (3) schools and shared with the students the ways of proper waste management. On February 17, YTPi went to Tacondo Elementary School; on June 29, Lakandula Elementary School was chosen to be given the orientation; and on October 12, the orientation was given to student leaders of Marcos Village Elementary School.



Community Relations Activities

Supporting System of CSR and Environmental Affairs

We established a system to plan for and examine important social responsibility issues, with the ultimate goal to build a trusted identity as contributing member of the global community. Our CSR and environmental promotion system is supported by the CSR and Business Operations Department to practice consistent and high-level environmental management in all level of operations.

		Guidelines	Objectives	Assignment	Activities	
1	Disaster Response		Provide assistance to typhoon-stricken communities.	Respond to the needs of the communities within Pampanga that were struck by typhoon Habagat.	We were able to visit the communities struck by typhoon and personally hand the gathered resources as donation.	We were able to mobilize our resources by tapping rice supplier to donate rice and producing bottled water from local water station to donate to Disaster Response efforts initiated by Clark Development Corporation (CDC). Apart from these donations, we also mobilized our employees to volunteer in repacking relief goods to be sent to various disaster struck communities within Pampanga. We donated a total of 20 sacks of rice and 250 bottles of mineral water for the victims of the monsoon Habagat. They also joined CDC as they distributed relief goods at San Simon, Pampanga last Aug. 11, 2012
2	Feeding Program		Contribute to social welfare by addressing the needs of malnourished children.	Help cater to nutritional needs of children in the community. Provide the children access to nutritious foods. Improve the status of malnutrition among schools.	Provide nutritious foods to targeted 60 malnourished school children for a total of 60 days.	The project was implemented at Public Elementary Schools within Municipality of Mabalacat catering to malnourished school children. Beneficiaries identified as below normal (low weight) based on Baseline weighing conducted by the school. Before the start of the Program, the students underwent deworming which facilitated by the chosen school. Implementation of the supplemental feeding was five days per week, Monday-Friday for 60 days from August 4 to October 30, 2012. Children were also provided with utensil kits that they used throughout the program.
3	Medical Mission		Contribute to Health and Safety of the communities by sharing medical resources from YTPi.	Provide access to Medical attention to the health concerns of the community. Provide basic medicinal supply to pursue Medical attention.	Provide the community access to medical check-up and medicines.	Medical Mission was held to help residents of Macapagal village last April 27 and Brgy Malabantias last Nov 24. In these activities, residents benefitted from availing of free medical consultation, medicines and vitamin supplements. Apr 27 - Macapagal Village (200 residents) Jun 22 - Brgy Malabantias (300 residents)
4	Outreach Program		Make YTPi and its employees reach-out to neighbor communities for the sprit of the holidays.	Bring employees together to provide the children institutions with their immediate and operational needs.	Pave way to celebrate holidays for the underprivileged institutions. Provide the institutions with gifts by meeting their needs based assessment. Provide employees the spirit of sharing.	Together with our Labor Management Council (LMC), we conducted an Outreach Program to three (3) charitable organizations. Volunteers from Plant Operations gave their time to share the spirit of holidays that started from Dec. 18 to 20, 2012. We were able to share canned goods, clothes and shoes, electric fan units, guitars, toys and medicines to help with their needs Dec 18 - Reception Study Center for Children Dec 19 - Bahay Pag-ibig Dec 20 - Bahay Bata Angeles Center
5	Scholarship Program		Provide access to quality education to underprivileged yet deserving students.	Provide means to quality education to underprivileged yet deserving students for them to uplift their lives.	Provide financial support to engineering/IT students who have shown exemplary academic performance. Provide employment to scholars who have successfully completed their course requirements under the scholarship program.	We provided access to education by providing the scholars full tuition & miscellaneous fees, book allowance and monthly allowance. After two (2) years of scholarship, we were able to employ four (4) employees through the YTPi Scholarship Program. These students are engineering and information technology students that showed exemplary performance as students.
6	Toilet Construction		Provide a safe and conducive learning environment through improvisation of facilities for the benefit of the students.	Provide a venue for safe and conducive learning for students. Provide a venue to facilitate learning among students and teachers. Help to provide better facilities thereby promoting clean environment.	Cater to the needs of children in the community. Provide the school with a good facility that may be used by all members.	We donated three (3) units of newly-built restrooms to Villa Teodora Elementary School, Dau, Mabalacat, Pampanga last September 12, 2012. The restrooms are complete with a handwash station to benefit 1,300 students of the school.

product responsibility

Our Commitment to Quality: Returning to the Basics and Continuously perform 4M Improvements to Provide the Products our Customers Demand

We shall continually provide quality products that our customers from all over the world can purchase with confidence and satisfaction.

We shall grow as a customer-focused and socially-responsible company. We shall to satisfy our customers' demands, and we will strive to win the trust of those who surround us.

We shall continue to improve our Quality Management System to meet our customers' requirements. With our system in place and fully functional, we make it our responsibility to assure that our customers receive on the best products we can provide.

Our Approaches for Customer Service

We share and analyze the feedback provided by our customers, and information is shared across all concerned sections of our company. And we develop our business activities around our customers' expectations.

We contribute to society by producing quality products, while maintaining a quality assurance system built to fulfil our customers' exacting needs. With this as the core of our quality system, we have activities which ensure that all the functions of our system are in proper order.



Quality Management System Audits

We schedule periodic internal audits to confirm our compliance to our defined quality management system requirements. Third party audits are also conducted. These audits confirm our commitment to making quality tires. It is our way to further improve our current system and to assure compliance.



Quality Month



We strive to instil in our employees the meaning of making a 'quality tire' through the various monthly quality activities, the highlight of which is the celebration of our Quality Month, which is held every November.

QA Inspection Inspection for Zero Outflow



INSPECTOR TRAINING ROOM Quality Assurance Section



Quality is the lifeline of our company. Our tires must meet the exacting requirements of our customers. Our emphasis on Quality shall sustain our business.

Our QA-Inspection Section, although at the back end of the tire manufacturing process, is our last line of defense to assure the quality of tires we make.

Training and Qualifying Competent Inspectors

The QA-Inspection Training group is committed to training and qualifying competent inspectors. Headed by dedicated trainers, their major task is to equip inspectors-trainees with the necessary skills and knowledge to detect problems in the

tires we make. Inspector-aspirants must undergo rigorous training and a series of examinations to fully qualify as Inspectors.

Inspector Challenges and Improvement

Fatigue and eye strain are factors that reduce the accuracy of inspection. With an average of 1,000 tires inspected by during his shift, inspector fatigue, eye strain and other factors increase the probability of miss-detection.

To reduce the chances of miss-detection, the QA-Inspection Section implemented the "4x4" daily workload of the inspectors. Prior to this improvement, inspectors had to inspect tires during their entire 8-hour working shift. This increased the miss-detection rate, especially towards the end of shift.

With "4x4", Inspectors work four hours in inspection and the other four hours on operations [5S, TPM, among others]. Reports of reduced miss-detections and higher attendance have been reported.

With such activities, the QA Inspection Section takes care of its members, while assuring the achievement of Zero Outflow.



Kaizen and Productivity Improvements: Leading and Building Path, the Manufacturing 1 Department Way

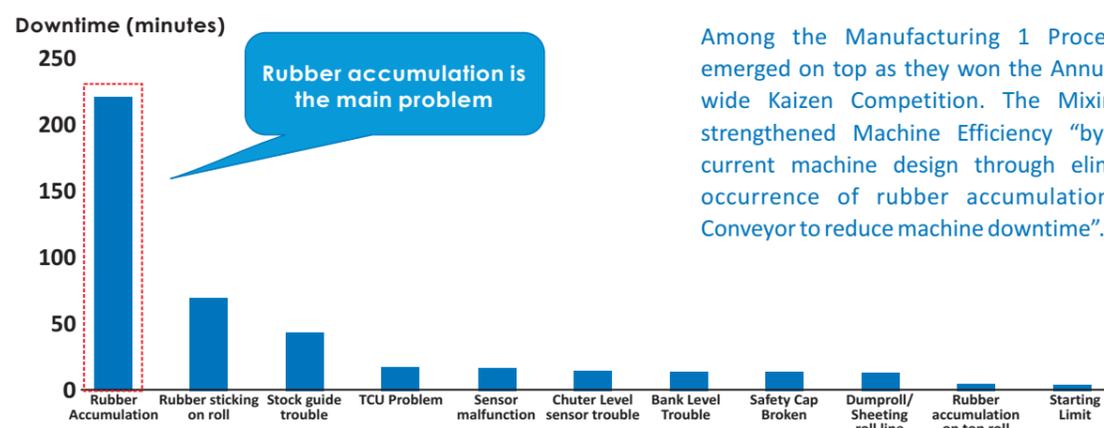
We take rigorous steps and activities in improving our respective manufacturing processes. Each process spends time and resources to continuously improved towards attaining a very productive operation, and aims generally to contribute on the growth of the manufacturing operations of the organization. These processes are namely: Mixing, Cutting and Bead, Extruding and Calendering. These processes entail different and rigid material preparation procedures which benefits the continuous improvement or "Kaizen" are efficiently utilized.

The following is a shortlist of the activities each process made:

Process	Improvement Activity	General Process Impact and Benefits
Extruding Process	Identification of the Sources of High Scrap Generation and Implement Concrete and Sustainable Countermeasures on Identified Problems	Reduction of Sources of Scrap Generated, Decreased to 83% on February 2012
Cutting and Bead	Reduction of increasing Downtime Encountered of Edge Tape Mis-Cut at Cutting Process (with average of 149.9 Minutes last 2011)	Edge Tape Miss-Cut Occurrence was Reduced to 78.92% from January – March 2013 Operations
Calendering	Reduction of Scrap: Reduction of Open Cord on PV410 Occurrence at Sheet Calendering	The Occurrence of Open Cord on PV410 was Decreased up to 61% from the Target of 50%

Breakdown of Highest Machine Downtime Contributor (Under Mixer)

(average January - December 2011)



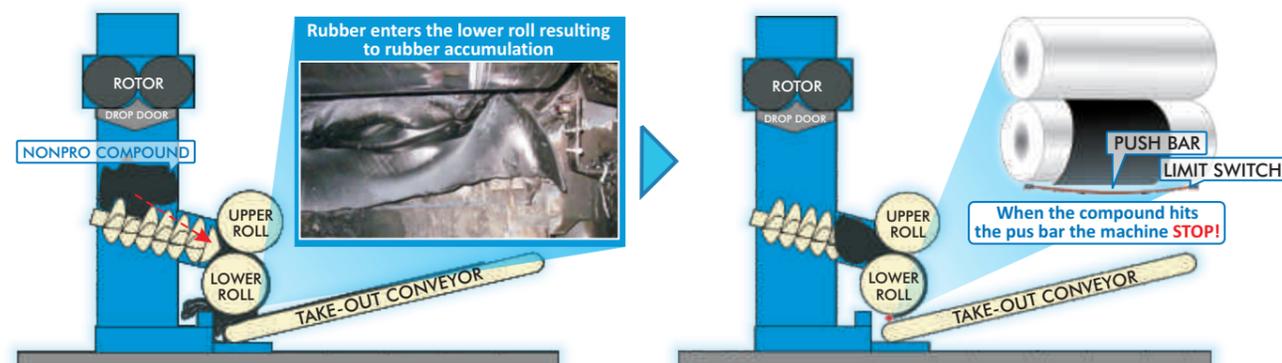
Kaizen Activity: Mixing Process

Source of the Problem

Accumulation of rubber at lower roll and pressed rubber coming out at the back roll from the extruder bank

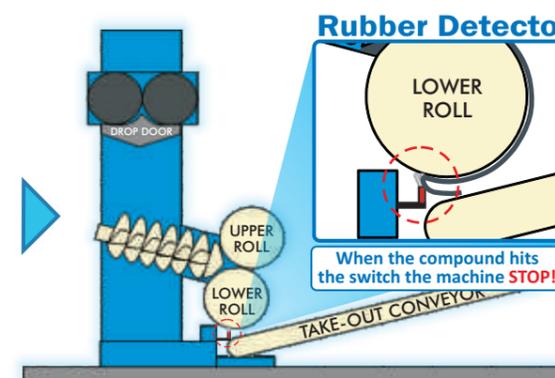
Activity #1

Installation of Rubber Accumulation Plate Detector – this sensor will immediately detect the problem which will reduce downtime



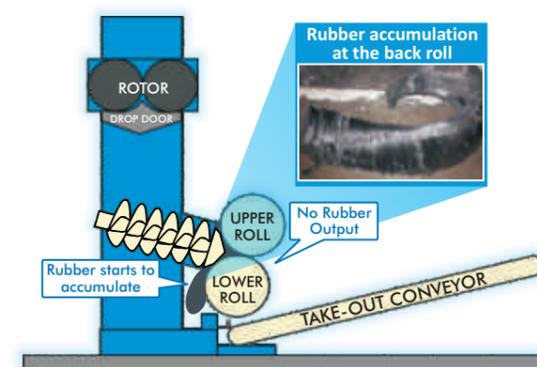
Activity #2

Improvement of rubber accumulation detector through replacement of photo-type sensor to push bar with limit switch – a different sensor was installed so as to detect accumulation of rubber more effectively than the previous activity



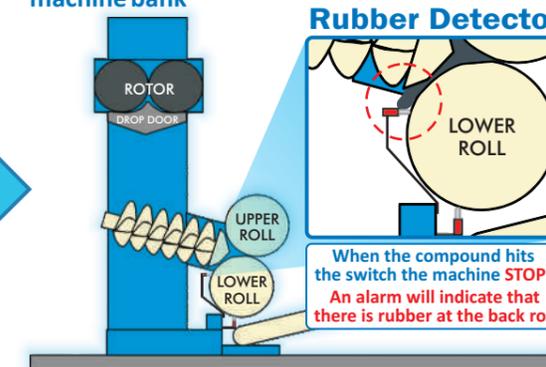
Source of the Problem

There was still rubber building up from the back of the roll, thus accumulation of rubber resulting to downtime.



Activity #3

To reduce the occurrence of rubber accumulation, provision of rubber accumulation detector at the back of under roll located at the bottom of the extrusion machine bank



From the Kaizen activities done, the process encountered zero occurrence of rubber accumulation under roll at Mixer no. 3 and 5 after the installation of accumulation detector at back of under roll. Rubber accumulation at Under Mixer was reduced to 97% from the average of November to December 2012.

Rubber Accumulation at Lower Mixer 3 and 5 Under Roll (average November - December 2012)



Summary

We will pursue our passion and dedication in practicing "Kaizen" in our operations. We believe that applying "Kaizen" will bring us continuous success, learning, growth and maturity needed to analyze irregular conditions and resolve machine abnormalities. It will motivate our team members' desire to improve further. This entail a higher degree of pride and enthusiasm to serve and be a productive member of YTP, sustaining the desire to truly say that Yokohama tires made in the Philippines are manufactured with passion, dedication, commitment. That is Filipino craftsmanship at its finest.

Kaizen and Productivity Improvements: Manufacturing 2 - Onwards Continuous Improvement

In Manufacturing 2 Department, we exerted efforts to continuously improve our respective processes. These processes spent time and wherewithal realize our common goal towards achieving a very efficient and productive department through "Kaizen" or "continuous improvement" on which Team Member's contributions and suggestions are being recognized and in return, unremitting rewards thus learning will be incessant.

2012 is a year of great effort to achieve maximum proficiency, Manufacturing 2 Department member's resourcefulness and unfading support had produced several continuous improvement activities and to name one is "D'Power PACQ boyz" of the Tire Building section. The group's vision of production excellence through effective use of our resources and maximizing its strengths with controlled cost. The goal is to reduce machine downtime by eliminating jointless trouble thru logical analysis and perceptive brainstorming.

Kaizen Activity: Tire Building Process

Source of the Problem



Our Methodology

SEQDCM (Safety, Environment, Quality, Delivery, Cost, Man)



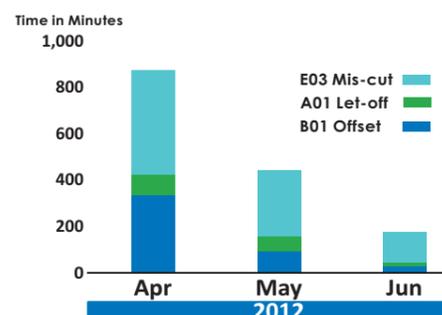
Activity

The following table illustrates the root cause of the problem and respective countermeasures.

Problem Contributor	Root Cause	Countermeasure
Brittle roller shaft		
Off set roller		
Let off problem due to Weak Spool		
Frequently damage tear drop		

Effect

Machine Trouble Trend (Mis-cut, Let-off, Offset)



After all countermeasures were implemented and activities were completed, results are impressive and therefore it has been concluded that the activity is effective and successful.

Summary

After Kaizen activities, the Tire Building process' members increased their level of confidence in attaining targets brought about by the new challenges that will increase growth of individuals and the company. Through this, it also motivates others to develop and encourage workers to participate in Kaizen after improvements are made within a workstation at their convenience and enjoyment.

The Manufacturing 2 Department is committed in its chase and quest for excellence in producing quality tires

and with Kaizen "continuous improvement" activities its aspiration is within reach with enthusiastic team members, competitive team leaders, dedicated supervisors and whole-hearted managers that are willing to share technical know-how skills and ability that deliver small improvements, inculcate the culture of continual aligned small improvements and standardization that yields large results in the form of compound productivity improvement which makes us proud to be part of Yokohama Tire Philippines, Inc.

Main Product Line-up

Yokohama tires are synonymous to sports car performance, combined with high levels of comfort. Yokohama Tire Philippines, Inc., with the support of the Yokohama Rubber Company, Ltd. of Japan, is determined to stay abreast with the ever-changing global consumer demand and, utilizing the very latest in tire production technologies, amply supplying the required needs of the market.

However, it is the people behind the scenes where the true Yokohama spirit lies. Our contribution to society is the employment of members from the vicinity of our company.

The Yokohama Rubber Company, Ltd. has stood at the leading edge of technological development in the rubber polymer field for close to 100 years. Our high-performance tires, developed from the technologies and know-how gained on the racetrack, have been renowned worldwide.



BluEarth AE-01

The tire designed to deliver environmental, human and socially friendly solutions for you and your car.



C.drive AC02

The all-weather tire provides superior traction and stability on any road in both wet and dry conditions.



A.drive R1

Part of A.drive family, these tires satisfy the performance requirements of the Asian Market.

W*drive V903

The all-weather tire provides superior traction and stability on any road in both wet and dry conditions.



iceGUARD Stud iG35

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

GEOLANDAR H/T-S

Comfortable enough for the drive home, yet tough enough for off-road treks, these tires provide good traction and handling even in snow.





Company Wide Activities



Labor Management Council: Serving People by Involving People

We, together with our Labor Management Council (LMC) strive to become active individuals on supporting company-wide activities. These activities show our commitment and involvement on instilling the importance of camaraderie developed through company activities.



Sportsfest

Physical fitness is one of the commitments of our company to be able to spread the importance of having a sound body and well-being to our employees. The Annual Sportsfest also develops the sportsmanship qualities of each participant, on having grace in the event of victory or defeat.

Company Outing

We take some break from work to refresh and unwind for the summer by going out of town trips during our company outing. Our employees enjoy the pools to cool themselves under the heat of the sun while having pleasure with the beautiful view of the resort.

Family Day

What about spending quality time with your family together with your fellow co-workers? The Family Day is one of the most awaited events in the YTPH calendar. This was held at Villa Alfredo's Resort, the venue provided a wholesome setting for each of the YTPH employee's family.

Christmas Party

In the spirit of the Yuletide Season, we took time to celebrate and enjoy the holidays with our co-employees. There are fun activities, food, presentations, entertainment, and of course raffle prizes that drew applause from the crowd.

Blood Letting

In partnership with Philippine National Red Cross (PNRC), we continue to encourage employees to donate blood voluntarily and actively participate in saving lives of their potential beneficiaries.



Health Programs

Employees today are prone to sickness. The sad reality is that as fast as the level of sickness is increasing, level of fitness is steadily declining. People in all positions and professions perform tasks, devote hours and endure everyday stress that may lead to sickness. All of these factors contribute to the turn down of overall employee health and work performance.

With these factors, we initiated actions to continuously improve our health services. Below programs were provided by our Medical Team in partnership with the country's leading health care providers to primarily ensure good health among our employees and their dependents.



Health Programs

Vaccination	Anti - Flu	Cervical Cancer				
Medical Examination	Annual Medical Examination including dependents	Annual Drug Test				
Health Lectures	Ergonomics	Varicosity	Low Back Pain	Respiratory Tract Infection	Hypertension	STD/HIV
Screenings	Cholesterol	Fasting Blood Sugar (FBS)				
Other Welfare Program	Establishment of In-House Pharmacy					



Through these efforts, most of the employees learn to appreciate preventive measures to avoid the onset or worsening of an illness or disease and most importantly, the acceptance of having a healthy lifestyle. In the years to come, more health management programs are expected to be offered to better serve our employees.



Safety Programs

Yokohama Tire Philippines Inc. through Safety Management Section (SMS) has crafted various programs and activities that address contemporary issues on safety awareness on which we aim to prevent any occupational injuries, create a pleasant work place and overall health for all workers under the strong leadership of our managers and supervisors

Radio Taiso

Radio Taiso - (*rajo taisō*, literally, "radio exercises") refers to warm-up calisthenics popular in Japan. Since we are a Japanese company, we have adopted this exercise in YTP. Last March 1, 2012, all employees of day and night shifts joined the competition. The section with least mistakes and most synchronized won the event.



Uniform Check by SMS

Personal Protective Equipment (PPE) are given free in YTP; hence, it is the employees' responsibility to take diligence and proper care of what is given to them. One particular PPE is our uniform. SMS team, conducted special checking of uniform to all employees last February in observance of our Health and Safety month celebration. Safety Officers made sure that employees' uniform and safety shoes are all in good condition. Safety Officers also advised our employees the proper wearing of uniform and shoes because one's attitude is reflected on how he wears his uniform.



Zero Incident Monitoring Board

The board is used to increase the awareness of everyone, especially employees entering the YTP premises. This will give them information on the days our plant is working safely without incurring any incidents. In case there is an incident, this board will be covered with the report and the count down of working safely will be reset.



The Biggest Loser Challenge

Top Management observed that most of its employees were tagged as slight obese or obese. The management tasked SMS to lead and spearhead the Biggest Loser Challenge. Fifty-four (54) employees including Safety Officers joined the challenge. Profiling was done through an interview with a dietician. Target weight was determined based from the result of their BMI (Body Mass Index). Different programs were introduced to meet the challenge such as jogging, dance exercise, biking and following a meal plan programmed by the dietician. Winners both male and female brought home with them health packed goodies and the challenge lasted for 6 months.



Behavior-based Safety Driving Training

Motorcycle riding is a growing concern in YTP, many employees that are involved in motorcycle accidents mostly do not have the basic training; where 92% were self-taught or learned from a family or friend. Since the number of vehicular incidents increased based from the Vehicular Incident Trend Report last 2011. The Safety team made efforts and initiatives to lower down the number of incidents; they came up with the basic program and introduced the "Behavior Based Safety Riding Seminar". This seminar was given to all employees that explains the rider's behavior while riding his motorcycle. It is a 2.5 hour seminar discussing the basics of defensive and safety driving. Informative videos and presentations are presented as well for additional information.



Safety Driving Campaign

Just to be sure that our employees ride safely back home, the team distributed campaign materials related to safe driving. Safety officers advised all riders and drivers to drive safely so that they could be with their families safely.



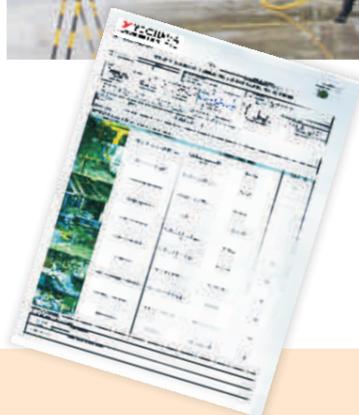
24th National Fire Brigade Competition

YTP Fire Brigade Elite Team won 1st place in the 24th National Fire Brigade Competition for Category B held at Quezon City last March 10, 2012. The team is trained and each member is composed of certified first aiders and fire brigades.



Improved Safety Check

As part of Safety Management Section's (SMS) improvement on checking and inspection, the team came up with an improved Safety Check Report Form for new and modified machines and equipments. This report is being used to list down all the unsafe condition of the machine and suggests countermeasures to eliminate or reduce the risk.



Health and Safety Equipments

Self Check Blood Pressure Checker

Employees can monitor their blood pressure with the do-it-yourself BP checker. The equipment was placed on strategic areas where employees can have easy access without the hassle of frequent visits in the clinic.



- Irregular heartbeat detection
- Hypertension indicator
- Dual cuff size to fit medium and large arms
- PC or printer connectivity

Automated External Defibrillator (AED)

Seven (7) units of AED were bought and placed on different areas to be used in case of emergency. Training were conducted to first aiders and drivers on the correct use of the equipment. AED is a fully automatic device that diagnose potentially life threatening cardiac rhythms.



Our Stakeholders

Following the incorporation of our CSR in our organizational structure, we organized the social responsibility issues we need to address in our daily and future activities. This defines the plan of activities that our company will undertake and determine its impact on sustainability.

» Customers

We value the interests of our customers by focusing our efforts on providing their exacting needs and high standards. We believe by putting value on the products that we produce is a manifestation on how dedicated we are on satisfying them, and that's putting the interests of our customers first in our list.

» Local Communities

Through partnerships with them, we are able to execute and accomplish projects that created significant impacts for their own development. Alongside with them, we can create a sustainable community that care for the nature and its people.

» Employees

We encourage participation from our employees in our activities. Their involvement does not give us a working leverage, but created a culture of volunteerism which is a testament on how active our CSR is.

» Business Partners and Suppliers

We continuously communicate our activities with our Business Partners to encourage them to follow the initiatives that we had undertaken and inspire them to support our CSR activities through volunteered participation or donation.

About this Report

We are pleased to release the publication of our 2012 CSR Annual Sustainability Report. On its 4th year, we continue to share our initiatives and work hard to build not only a trusted identity but a company that foster a culture that honors rigorous standards of corporate ethics relating to the practice of CSR.

If you have any concerns regarding this report, please contact me on the numbers below.

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