

# CSR Report of Yokohama Tire Retread Company Limited (YTR)

**Business activities:** Production and sale of retread tires

**Total site area:** 31,501 m<sup>2</sup> (Head Office (Onomichi): 13,757 m<sup>2</sup>, Saitama Plant: 6,588 m<sup>2</sup>, Nagoya Plant: 5,648 m<sup>2</sup>, Hokkaido Plant: 5,508 m<sup>2</sup>)

**Number of employees:** 95 (as of April 2018)

**Location:** Head Office & Onomichi Plant: 2-165-28, Chojabara, Onomichi City, Hiroshima, JAPAN  
Hokkaido Plant: 162-2, Uenae, Tomakomai City, Hokkaido, JAPAN  
Saitama Plant: 395, Kita-Nagai, Miyoshi-machi, Iruma-gun, Saitama, JAPAN  
Nagoya Plant: 192-12, Minami-Yamanoue, Azabu-cho, Miyoshi City, Aichi, JAPAN

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## Message from the President



Kazuyuki Mineo

Yokohama Tire Retread Company Limited is a company with four production facilities in Japan, which has been in operation for 46 years. The retread tires that we produce for trucks and buses make it possible to reduce the amount of resources used in tire production, while the CO<sub>2</sub> emissions in the retread tire manufacturing process are roughly 60% lower than emissions in the production of new tires; our environmentally-friendly retread tires thus embody the 3R principles of Reduce, Reuse and Recycle.

According to statistics compiled by the National Retread Tire Council (Japan's national organization of retread tire manufacturers), shipments of retread tires in Japan in fiscal 2017 amounted to 102.5% of the total posted in the

previous year, representing an improvement compared to the situation in the previous three years when shipments had fallen every year. However, the retread tire ratio (i.e. the share of overall tire shipments, including both new and retread tires, accounted for by retread tires) in fiscal 2017 was 18.2%, roughly the same as in the previous year. In order to bring the retread tire ratio in Japan closer to the level seen in Europe and North America (which is over 40%), so that a greater contribution can be made towards protecting the environment, a greater effort will be needed to stimulate demand, while at the same time listening carefully to customers' needs.

Within the context of the Yokohama Rubber policy of being "a company having world-class strengths in technologies for protecting the environment," we recognize that we have a mission to provide retread tires in response to customer demand. We are continuing our production and sales activities, while striving for harmonious coexistence with related companies and local communities, and taking "safety," "the environment," "quality" and "compliance" as our watchwords.

## Organizational Governance

### Promoting compliance

The department responsible for matters of accounting and the closing of accounts undergoes regular audits by corporate auditors and the Internal Audit Department. Improvements are implemented promptly in response to any identified issues. We also work hard to ensure that there is no non-compliance with regulatory requirements and no unintentional

errors or omissions in the manner in which we do business. Furthermore, by conducting employee compliance training on a monthly basis, we are aiming to strengthen employees' compliance awareness, while also implementing improvements to operational systems and heightening operational transparency.

## Human Rights

### Child labor or forced labor

There have been no cases of our company employing children or forced labor.

### Promotion of gender equality

Men and women are treated equally with regard to wages, promotion and assignments, etc.

## Labour Practices

### Creating safe and healthy workplaces

On the safety and health front, in addition to all employees participating in radio calisthenics prior to starting work, starting from this year we have been working to strengthen our safety and health awareness-raising activities, for example by having employees recite the "Safety Chant." Besides striving to maintain and enhance a working environment that ensures safety and peace of mind through the implementation of regular safety patrols and the use of work environment measurement to realize quantitative monitoring of the working environment, we also work to create a safe, healthy workplace by using periodic health checkups to monitor individual employees' health status, etc. We realize effective follow-up in relation to these activities through the operations of each facility's Safety and Health Committee, etc.

### Education and training for employees

New employees are educated using a scheduled program that is fully implemented in line with the company's education and training plan. Also, all employees receive education regarding fundamental content such as safety, the environment and quality management, as well as compliance-related awareness-raising activities, either at the regular early morning workplace gatherings or through instruction at monthly morning meetings. In addition, at manufacturing sites, periodic operational training is conducted using the operational guidelines and one-point lessons. The Saitama PLANT has been using an "Improvement Plaza" to facilitate the visualization of improvement activities of various types; this sharing of ideas has proved useful in accelerating the speed of improvement. Consideration is being given to expanding the scope of application of this initiative to include all production sites.

## Labour Practices

### Responding in case of disaster

Our fire-fighting equipment is inspected periodically by a specialist company. In addition to regularly reporting the results of these inspections to the local supervisory authorities (i.e. the fire prevention authorities), we strive to prevent emergencies from occurring by taking prompt remedial action whenever any deficiencies are discovered.

Also, by implementing regular evacuation drills and fire-fighting training at each plant, we ensure first-response preparedness in the event of an emergency occurring.

### Employment of people with disabilities

At the current time, we employ no disabled persons.

## The Environment

### Strengthening environmental management

We are working to strengthen our environmental management through the effective utilization of an environmental management system based on ISO 14001, which was established in April 2006. In addition to raising employees' environmental awareness by increasing the number of internal auditors, and by making efforts to both reduce waste and enhance energy efficiency through improvements to our equipment, we are also working to improve our environmental indicators through various improvement activities. We hope to contribute to the further development of a recycling society by promoting increased reuse of tires, through the growth and expansion of our business activities.

### Management of chemical substances (responding to the Pollutant Release and Transfer Register Law)

In cooperation with Yokohama Rubber, by aiming to have our different sites list their chemical substances, we employ the Substances of Concern (SOC) principle when handling such products. Regarding the PRTR requirements, by filing the required documentation with both the national government and the relevant prefectures, we engage in secure management of those materials subject to the law.

### Environmental data

Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Waste generated (t)	1,463	1,473	1,711	1,523	1,148
Water usage (1,000 m <sup>3</sup> )	6.6	6.7	5.7	4.9	4.7
Greenhouse gas emissions (1,000 t-CO <sub>2</sub> )	2.88	2.84	2.79	2.61	2.59

\* FY: January–December

\* The calculation of greenhouse gas emissions has been based on the methods specified in the GHG Emissions Accounting and Reporting Manual published by Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry.

We are working to reduce the environmental burden associated with our activities by reducing our energy consumption per unit of production output and the amount of industrial waste that we generate, by proactively implementing measures to make production more efficient, including the adoption of LED factory lighting, adoption of new types of inverter technology in our production equipment and other measures to reduce electric power consumption and ensure effective power consumption management, as well reducing the amount of water consumed, etc.

### Noise, vibration and odor

By implementing regular measurements of noise and holding meetings with voluntary monitors, we make efforts to prevent noise, vibrations and odors. As yet, we have not received any complaints from neighbors.

## Fair Operating Practices

### Building trusting relationships with business partners

We enjoy business relationships with numerous partner companies in regard to the sale of retread tires, the purchase of used tires and the disposal of industrial waste, etc.; We enter into transactions with potential partner companies only after confirming that meet regulatory requirements for the business activities in question. We work to verify compliance with the law by conducting our own audits of the companies who dispose of our industrial waste.



On-site verification of an intermediate processing facility (Onomichi)

## Consumer Issues

### Building trusting relationships with customers

As regards inquiries from customers about product quality, we provide an appropriate response in collaboration with individual Yokohama Tire Japan Co., Ltd. dealers, as well as Yokohama Rubber's Tire Technical Service Department and Tire Quality Assurance Department. In the event that an incident involving non-conforming product does occur, the reasons for the issue are investigated and measures to prevent reoccurrence are decided on at the periodic meetings of the quality management committee that are held at each of our production facilities. Relevant information is managed within the Yokohama Rubber network systems with a strong emphasis on information security management, aiming to ensure a level of security equivalent to that applying in Yokohama Rubber as a whole.

### Credibility with stakeholders

We participate on a regular basis in meetings organized by relevant administrative authorities in each of the regions in which we operate, and we endeavor to strengthen communication with local communities. Given that our Hokkaido Plant looks out on Lake Utonai, which has been designated as an environmental special protection area, we participate in various activities aimed at safeguarding the biodiversity of the Lake Utonai Sanctuary, etc.

Our Saitama Plant participates in the Green Support Team” activity organized by the local government authorities, contributing to environmental protection activities aimed at conserving local areas of mixed woodland.

As part of our efforts to strengthen communication with local kindergartens, employees from the Nagoya Plant collaborated on an activity involving the creation of plastic bottle cap artworks with children at a neighboring kindergarten, as part of the kindergarten’s “graduation” ceremony activities.



Satoyama landscape conservation activity at Miyoshi (Saitama)



Clean-up activity at Lake Utonai (Hokkaido)



Plastic bottle cap artworks forming part of a kindergarten’s “graduation” ceremony activities (Nagoya)



Biodiversity preservation activity at Lake Utonai (Hokkaido)