

Yokohama Europe GmbH (YEU)

Business activities

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

Number of employees

85 (as of December 2021)

Location

Monschauer Str.12 40549 Dusseldorf, Germany

Contact for consultation and complaints

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

Email: contact@yokohama.eu



Message from the President



Hiroyuki Shioiri

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

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

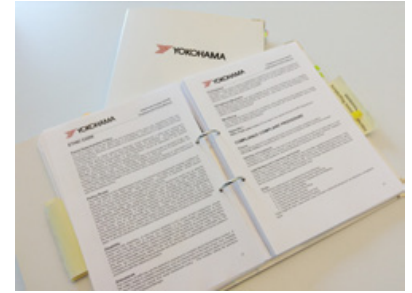
In addition to aiming to become a company rooted in the local community, YOKOHAMA Europe GmbH will aim to contribute to raising the level of the entire group's CSR activities by quickly providing feedback to the Yokohama Rubber Group on the latest trends in Europe.

Organizational Governance

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

Human Rights

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



Labor Practices

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

The Environment

Fostering and improving environmental awareness

We have established an environmental member to continue our community-based activities. We also encourage paper conservation and continue to focus on promoting digitization.



Please consider your environmental responsibility. Before printing this e-mail ask yourself: "Do I really need a hard copy?"

The email signature header :

Consider your environmental responsibility. Before you print this email, ask yourself, "Is this really necessary?"

Fair Operating Practices

Policy on corruption and other irregularities

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

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

Consumer Issues

Personal Information Protection Policy

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

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

Claim response training for agents

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

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

Within COVID-19, we are striving to further expand quality by offering online courses and e-learning tools.



Login screen of the E-learning tool



The tool is constantly evolving, including the expansion into multiple languages, not to mention the content.

Community Involvement and Development

Relationship with local societies

1. Donation Support for Torrential Rain in Western Germany

In fiscal year 2021, the western part of Germany was hit by unprecedented torrential rains, causing flood damage in a wide area. The most severely affected area was Ahrweiler in the state of Rhineland-Palatinate, which is close to the Nürburgring, where we have our test center. We hope that the children who bear the future and the people of the region will be able to return to their normal lives as soon as possible, and with this wish in mind, we made a financial donation to the children's division of a local soccer club with a 100-year history. For more details, please see the news release linked below.

[Yokohama Rubber to Provide Aid to Victims of Torrential Rain and Flooding in Western Germany \(y-yokohama.com\) \(Japanese only\)](https://www.yokohama.com/press/2021/09/20210914_germany/)

2. Support for tree-planting activities in Germany (4,000 trees from 2018 to 2021)

3. Distribution of tire eco-bags to European countries (made from bio-based materials)

4. Providing tires free of charge to charitable organizations in Germany

LLC Yokohama R.P.Z. (YRPZ)

Business activities

Production of tires for passenger cars

Total site area

29ha

Number of employees

761 (as of December 31, 2021)

Location

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

Contact for consultation and complaints

HR and Administration Dept.

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



Message from the President



Takaoka Tatsuya

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

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

- We wish to create a high-quality and cleanly run factory from which our customers may experience peace-of-mind when they purchase our products.
- We also wish to create an attractive company in which our employees can take pride.
- We aim to contribute to the well-being of the local community.

It has been 10 years since we started production activities, and our most important requirements are safety (S), environment (E), quality (Q), delivery time (D), and cost (C), in that order. Of these, safety (S) is the most important requirement. We sincerely hope that all employees can finish their work every day and return home safely to their families. We are continuously making improvements and promoting improvement activities with the participation of all employees by using our environmental management system as an axis on which to base activities.

In the future as well, we intend to push forward with our aim of becoming a business that can be trusted by our customers, by our employees and by regional society.

Organizational Governance

Compliance

We want to be a company that complies with all applicable Russian laws in our business activities.

Through our Legal, Compliance, and Internal Control departments, we regularly monitor Russian laws. As a result, any newly enacted or amended laws and regulations that come to our attention are promptly addressed by notifying both management and the relevant business units.

Since July 2016, we have operated an internal reporting system as a tool for anonymous whistleblowing, and we regularly encourage all employees, including new hires, to use the system.

Since August 2017 to date, YRPZ has been working to strengthen its compliance training. To this end, the legal department provides all employees with monthly compliance case studies.

Human Rights

There have been no instances of human rights violations in the Company's activities. In terms of recruitment and employment conditions, all employees are treated equally regardless of nationality, ethnicity, religion, gender, age, or physical appearance.

Labor Practices

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

Labor safety

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

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

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

In 2021, a change in the law affected the procedures for mandatory preliminary and periodic medical examinations. The law updated the list of mandatory pre-employment and periodic medical examinations for hazardous (or) dangerous working conditions and tasks. In addition, it listed prohibitions that should be considered before performing certain types of work because of their adverse health effects.

YRPZ puts safety first and strictly adheres to these legal documents.

YRPZ continued to review its near-miss reporting procedures in FY2021. During the year, 8,933 near-miss reports were submitted by employees. Corrective or preventive actions were initiated for 8,912 of these reports.

In 2021, there was a strong focus on ensuring the safety of work performed at height. In addition to the required personal protective equipment (PPE), employees who work at heights must receive special training to ensure they can perform their duties safely.

Disaster response safety measures

In 2021, the company conducted appropriate activities to enhance safety in relation to disaster prevention.

YRPZ continues to provide fire safety training for all employees and conducts regular fire drills.

In February 2021, a successful fire drill was held in the mixing process. Employees from the mixing process and the M&E department participated in the drill.

In July 2021, employees from the production and M&E departments participated in a fire drill. They practiced how to use fire extinguishers. In addition, new employees were given training on the safe use of fire extinguishers.

In August 2021, an evacuation drill was held; employees (shift and clerical) from all divisions of YRPZ participated in the drill (269 employees). The local fire brigade participated in the drill.



Fire Drill



Promoting health

Employee wellness plays an important role in ensuring safety. We conduct preventive monitoring by regularly checking the health of our employees and conducting health checkups at the time of hire and periodically thereafter. Records of medical examinations are kept in a medical facility on the premises of YRPZ.

Voluntary Medical Insurance (VMI) is not mandatory under Russian law, but YRPZ continues to offer it to all employees. YRPZ's VMI program continues to be the best among industrial companies in Lipetsk Oblast in terms of coverage and content.

VMI allows employees to receive prompt, quality medical care and a better chance of recovery.

In FY2021, YRPZ took steps to further improve VMI, including continued support for YRPZ employees, expansion of coverage and clinic list, clinic audits, and employee satisfaction surveys and subsequent remediation measures.

As the COVID-19 pandemic began in March 2020 and will continue into 2021, we have implemented a number of measures aimed at protecting the health of our employees.

1. Even before the pandemic began, we provided disinfectant solutions to our employees in our workplaces
2. We continued to provide safety face masks
3. Regular temperature control was conducted at the plant entrance before the start of the workday and several times during the workday
4. Increased the distance between employees and their desks for safety work
5. Outsider access to the plant premises was limited to only those visits that were highly necessary for temperature control at the plant entrance
6. Switched to online meetings whenever possible (e.g., recruiting, business, negotiations, etc.)
7. If an employee shows signs of illness or reports contact with a COVID-positive person, he/she is immediately isolated and tested for COVID-19 at company expense; COVID testing is also done when employees return from vacation (elsewhere in Russia or abroad) or from sick leave
8. Disinfection of common areas is carried out on a regular basis
9. Meeting rules: no longer than 15 minutes, distance between participants - 3 m
10. To prevent outbreaks of COVID-19, an aggressive vaccination campaign (vaccination promotion, vaccination arrangements at the factory) was implemented, and the vaccination rate among employees reached almost 100%.

Education and training

In order to improve the professional skills and knowledge of our employees, we offer a variety of internal and external training programs.

Training conducted within the company is mainly related to occupational safety and health.

Training conducted externally is aimed at professionalizing and upgrading the know-how and skills of employees, and in many cases, with the cooperation of consulting companies, external instructors are used.

In addition, special allowances are provided to those who demonstrate a certain level of English proficiency.

Employment of people with disabilities

As of the end of December 2021, there are 5 persons with disabilities working at YRPZ as full-time employees.

Each of them can receive medical care without discrimination and has the same opportunities for self-development, promotion, and advancement as other employees.

Motivation and engagement

In order to increase the motivation and engagement level of its employees, YRPZ implemented the following activities in FY2021.

- YRPZ continued its tradition of birthday parties: in FY2021, every employee received a decorative tire-shaped cushion and a birthday card signed by the president.
- YRPZ provided health and wellness camps for employees' children (YRPZ paid 50% of the trip cost per child).
- All employees with school-aged children received a set of school stationery at the beginning of the year (September 2021).
- We held the Best Manager Contest again this year to motivate managers and improve their work efficiency.
- Employees who joined the company in 2011 celebrated their 10th anniversary and were presented with valuable gifts from the company.
- In addition to the traditional gift of sweets, we prepared special New Year's presents for the children of employees (a collection of children's songs from New York written by the children of employees and an eco-cube).
- To reward all employees for their labor in 2021, we provided NY gifts to all employees: NY boxes filled with tea, honey, jam, sweets, gingerbread cookies, wooden Christmas tree ornaments with the brand logo, and NY cards.
- Special allowance for coaching and mentoring. Additional payments were made for mentoring and coaching subordinates and developing practical skills.
- Internal communication channels contributed to improved communication between employees and management, team building, and employee engagement.
- An intranet was launched to increase employee motivation, engagement, and communication. A game-based approach (the chance to earn virtual currency for encouraged activities and spend it in the intranet benefit store) proved effective in increasing engagement.
- Employee success stories were posted on the company intranet and YRPZ's external social networking sites to increase employee awareness of the program.



Celebrating 10 years of work at YRPZ



School goods for school-aged children of employees



New Year's gifts for YRPZ employees

The Environment

Environmental management

In addition to safety (S), the environment (E) is also an important issue, and YRPZ complies with all Russian laws and regulations related to the environment. Furthermore, we spare no effort to be an environmentally friendly company. In our daily operations, we keep abreast of the country's environmental laws and regulations and strive to comply with any revisions.

In 2021, we renewed our ISO 14001:2015 certification. The certification is valid until December 26, 2022.

СИСТЕМА СЕРТИФИКАЦИИ РУССКОГО РЕГИСТРА
RUSSIAN REGISTER CERTIFICATION SYSTEM



CERTIFICATE

This is to certify that the Environmental Management System of

Limited liability company "YOKOHAMA R.P.Z."
399071, territory of SEZ PPT "Lipetsk", estate 40, Kazinka village,
Gryazy district, Lipetsk region, Russia

**has been assessed and found to be in accordance
with the requirements of**

ISO 14001:2015

in respect of production of automobile tires for passenger cars

No: 19.2574.026
of 26th December, 2019

Management system certified since 2016

This certificate is valid until **26th December, 2022**



This certificate becomes invalid if conditions of certification are not fulfilled
(<http://www.russregister.ru/doc/004.00-105.pdf>).



03-002415

LIST OF THE COUNTRIES WHICH ARE REPRESENTED IN IAF AND ARE SIGNATORIES OF THE MULTILATERAL AGREEMENT ON RECOGNITION (MRA) OF IAF:

Australia and New Zealand JAS-ANZ, Argentina OAA, Austria AA, Belgium BELAC, Bulgaria EA-BA5, Brazil COCER, Great Britain UKAS, Hungary NAI, Germany DAKAS, Hong-Kong HKAS, Greece ESYD, Denmark DANAK, Egypt EGAC, India NADCB, Indonesia KAN, Iran NACI, Iceland ISAB, Spain ENAC, Italy ACCREDIA, Kazakhstan KCA, Canada SCS, China CNAS, Colombia ONAC, Korea KAS, Costa Rica ECA, Luxembourg OLAS, Malaysia DSM, Mexico EMA, Netherlands RvA, Norway NA, UAE DAC, ARAB Fakihan PNAC, Peru INACAL-DA, Poland PCA, Portugal IPAC, Romania RENAI, Serbia ATS, Singapore SAC, Slovakia SPOS, Slovenia SA, USA ANAB, IAS, Thailand NSC, Taiwan TAI, Tunisia TUNAC, Turkey TURKAK, Ukraine UKRAI, Uruguay OUA, Philippines PAB, Finland FINAS, France COFRAC, Czech Republic CAI, Chile DSI, Switzerland SAS, Sweden SWEDEC, Sri-Lanka SLAB, Ecuador SAE, South Africa SANAS, Japan JAB.

* List of IFA signatory IAF members may change. Check list of IFA IAF member associations website is available on IAF website: www.iaf.com

Certification Association "Russian Register": 101 Rimskogo-Kosakova Ave., 190121, Saint-Petersburg, Russia

RUSSIAN REGISTER РУССКИЙ РЕГИСТР



Environmental data

Category		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Waste disposed (t)		1,166	1,211	1,009	922	927
Proportion sent to landfill (%)		6.9	7.5	12.7	14.5	13.7
Landfill waste (t)		80.0	91.0	128.0	134.0	127.0
Energy use (oil equivalent: kl)	Electric power	4,989	5,232	5,096	4,964	5,201
	Fuel	4,875	4,918	4,283	4,067	4,355
	Total	9,865	9,865	9,379	9,031	9,556
Greenhouse gas emissions (1,000t-CO ₂)		17.7	18.2	16.7	16.1	8.7
Water usage (1,000m ³)		51.5	50.1	46.2	44.1	48.5

※FY: January to December

※Greenhouse gas emissions from overseas business sites are calculated using the Greenhouse Gas Protocol Initiative and electricity emission factors of local businesses. It should be noted that 41% of the company's gas emissions were used for the purposes of heating.

Measures for dealing with industrial waste

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

Total waste generated in FY2021 was 924 tons.

The amount of waste generated per tire produced was 0.12 kg/tire.

In FY2021, 2,500 kg of paper and 20,600 kg of cardboard were offered for recycling.

Disposal of used tires

Under the provisions of Regulation dd 09.04.2016 No. 284 issued by the Government of the Russian Federation, which establishes the responsibility of manufacturers and importers for certain products, including automotive tires, as these are considered assets that leave the hands of the consumer (become used products) YRPZ is responsible for taking action to ensure that these are disposed of in accordance with the regulations.

Specifically, we offer two options to manufacturers and importers of such products They can either pay environmental fees according to a tariff set by the government, or they can make guaranteed arrangements for the disposal of their products, either on their own or by joining a union of waste disposal companies.

As a member of the Eco-Tyres Union (a union of tire manufacturers and importers who voluntarily act in accordance with the recycling standards set for tires and rubber products), YRPZ has contracts with recyclers for the joint recycling of used tires.

Tire marking

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

Reducing water usage

YRPZ is constantly striving to reduce water usage through the implementation of a number of measures.

In 2021, total water consumption was 48,457 m3.

In 2021, the following activities were implemented to reduce water consumption.

Optimized the layout of pipelines supplying water to fire water storage tanks (water savings - 860 m3).

Managing wastewater discharge

Wastewater discharged from YRPZ's plant facilities is properly treated in a reliable manner prior to discharge into the sewage system.

In 2021, the following measures were implemented to prevent wastewater contamination.

- Grease discharge and cleaning of grease separators: Implemented twice a year.
- Sampling to control chemical composition of wastewater: conducted monthly and quarterly.

Energy savings

We recognize the importance of energy efficiency, and we are continuing our concerted efforts to make our energy usage more efficient. In particular, in fiscal 2021, we implemented the following energy-saving measures:

- Lighting in the mixing process was changed to LED lamps (185 bulbs).
- Optimization of equipment operation (reduction of idling) in the mixing and MP-1 processes resulted in energy savings of 192 365 kW in 11 months.
- Heat insulation of steam pipes (T72 and T74) was implemented (saving of natural gas).

Biodiversity measures

In 2021, YRPZ joined the "Green Wave Project".

In May 2021, 22 seedlings of lime trees and nanakamado trees were planted by YRPZ employees.



Fair Operating Practices

Internal controls

To prevent fraud, operations are carried out based on an internal approval system by management for contracts, purchases, and settlements. Furthermore, internal rules have been established, and the final decision is made by the final decision maker after checking by the management, legal, and accounting staff.

Selection of business partners

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

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

Consumer Issues

Quality management systems

In FY2021, we continued our efforts to improve our quality management.

In April 2021, YRPZ successfully passed the surveillance audits for IATF 16949:2016 and ISO 9001:2015.

YRPZ also passed the periodic audit for CCC certification (China) in May 2020.

Deliveries to original equipment manufacturers*

In fiscal 2021 again, we continued to make original equipment (OE) tire deliveries to the Russian factories of Nissan, Toyota, Mitsubishi Motors and Volkswagen.

We are working hard to expand our OE deliveries business. What is more, in fiscal 2021, we were successful in passing all the regular audits conducted by the OE manufacturers.

※original equipment manufacturers

Strengthening communication with consumers

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

Community Involvement and Development

Internal activities

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

Team-building corporate events

The COVID-19 epidemic did not allow for full-scale offline team-building activities, but the focus was on building a community of employees through online channels (internal telegram channel and intranet). Motivational activities involving employees were carried out online on various occasions, such as the Men's and Women's Holidays, the Professional Celebration, and the Environmental Celebration.

On May 30, 2021, YRPZ celebrated its 9th anniversary since its opening in 2012. On this occasion, a special dinner was organized for all employees and a special festive menu was prepared to show appreciation for the contributions of the employees.

In December 2021, instead of the traditional offline New Year's party, a number of NY activities were held online through YRPZ's social networking sites. The activities were intended to increase employee engagement as well as enhance YRPZ's employer brand image among potential employees. In addition, the NY special activities were arranged online through YRPZ's internal intranet and internal Telegram channel.



Celebrating the 9th anniversary of YRPZ

Soccer team activities

The YRPZ soccer team continues to attract and excite fans and spectators with outstanding performances. In 2021, the team participated in the regional soccer league as well as in the Bekaert Soccer Cup Tournament on the occasion of Belgium Day, finishing in second place. The YRPZ soccer team also participated in regional and federal tournaments throughout the year 2021.



YRPZ Soccer Team Participates in Bekaert Soccer Cup

External activities (Social contribution)

In 2021, YRPZ participated in the Russian environmental and charitable project "Dobrye Kryshechki" ("Kind caps").

In this project, caps from plastic bottles are collected and recycled, and the money earned is donated to children with disabilities.

The project has two goals: to rid the world of plastic waste and to support children with disabilities.

YRPZ employees collected 30 kg of plastic caps in 2021. The money was then sent to buy a wheelchair for a boy with cerebral palsy.



Russian environmental charity project (collection of plastic bottle caps)

In December 2021, YRPZ received the Social Responsibility Award. The Governor of Lipetsk Region thanked the management of YRPZ for its social responsibility during the COVID-19 pandemic.



In 2021, YRPZ continued to develop its social networking sites (Instagram, VKontakte) in order to build a strong HR and employer brand.

In addition, YRPZ actively participated in external events by attending various forums, seminars, and conferences held on a regular basis.

Through these activities, in addition to improving our corporate image, we aim to build good relationships with external companies.

In FY2021, YRPZ employees are actively participating in and presenting at meetings related to the environment, health and safety, and TPS.

[YRPZ's official website](#)



[YRPZ's VKontakte profile page](#)



[YRPZ's Instagram account](#)



Alliance Tire Company Ltd. Hadera Plant

Business activities

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

Total site area

17.8 ha

Number of employees

550 (as of December 2021; includes contracted laborers)

Location

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

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

Contact for consultation and complaints

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



Message from the CEO



Ygal Trichter

At Alliance Ltd., we feel it is very important that we be involved in CSR.

In being conscious of our position as the Hadera Region's largest employer, as one member of the local community, our company intends to keep being involved in numerous different areas such as education, health, welfare, and youth activities, etc. As a fact of the Yokohama Rubber Group's CSR policy, the company is committed to contributing to the local community, as it is also committed socially and environmentally by way of its economic contributions. We are also committed to helping the local community develop both economically and culturally. As part of such commitments, we encourage our employees to volunteer locally, and they accordingly respond to such requests as they are received.

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

Organizational Governance

Code of Conduct

In keeping with our core values, all employees and members of the ATG Group management team undertake suitable business activities with their emphasis being upon value creation. To achieve the organizational objectives which we base upon such behavior, we remain committed to superior levels of corporate governance while managing our business.

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

Schedule of Authority (SOA)

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

Employee handbook

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

Whistle-blower policy

Concerning the company's whistleblower policy, in addition to it acting to protect employees from unethical business practices, we have put in place our "Vigil System" to provide for the reporting of real concerns and complaints. Moreover, concerning disclosures regarding behavior that deviates from the company's basic principles for business and its basic business practices, we respond to them in a manner that is both impartial and fair.

Human Rights

Preventing sexual harassment

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

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

Labor Practices

Quality, Environment Health and Safety Policy (QEHS)

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

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

As to issues of human health and safety, and basic principles regarding engaging in environmental conservation for the benefit of all humankind, such matters represent an indispensable part of our planning and decision-making processes.

Thus, we have taken steps to define the following items:

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

Accordingly, we achieve the following aims:

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

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

The company undertakes to offer social security and health insurance to its workforce in accordance with the provisions of the CBAs. Within the code of conduct, the following is stipulated: "Our company strives to supply a safe and healthy workplace environment in all areas."

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



Quarterly update by ceo



Open talk with CEO



Birthday celebrations



Holiday toast



ODT Activities



LEAN training



Safety walks

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



A scene from the company trip for employees



A scene from the company trip for employees

The Environment

Environmental data

Category		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Waste disposed (t)		—	1,447	1,702	1,480	1,068
Proportion sent to landfill (%)		—	5.2	5.0	6.2	7.0
Landfill waste (t)		—	75.0	85.0	92.0	75.0
Energy use (oil equivalent: kl)	Electric power	—	5,937	5,796	5,487	5,978
	Fuel	—	6,132	5,804	5,780	5,597
	Total	—	12,069	11,600	11,266	11,575
Greenhouse gas emissions (1,000t-CO ₂)		—	30	29	28	28
Water usage (1,000m ³)		124	134	127	117	122

※FY: January to December

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

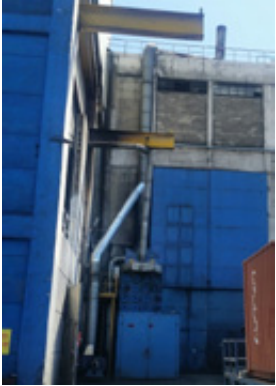
Environmental improvements

We have been engaged in the following activities so far.

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

We have improved the state of hot water and steam transmission pipeline insulation to prevent energy waste, and we are moving forward with our efforts to further reduce the company's CO₂ emissions.

80% of our forklifts are electric, thus significantly reducing noise levels and air pollution in the work environment.



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



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



The exhaust pipe for the mixer has been improved.



Natural gas equipment



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

Fair Operating Practices

Code of conduct to regulate fair competition and trade

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

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

Community Involvement and Development

Social contribution activities

We undertake the following activities:

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