

# Local Communities Management

## Our position

Our business activities impact the local communities where we are active in various ways. It is extremely important to communicate with local communities to ensure that their expectations are met in order to ensure sustainable business activities. In addition, we recognize that we have shared interests with the community as a stakeholder in the region, and for this reason we would like to work towards community development.

This stance is declared in the Stakeholder Policy, and the actions that should be taken by employees are stipulated in the Yokohama Rubber Group Action Guidelines.

## Policy

### Local communities

As a globally active business, we relate to local communities in a number of domains - the natural environment, law, culture, customs and the economy. We will strive to build a healthy relationship for various local communities together with our both domestic and overseas offices.

### Yokohama Rubber Group Action Guidelines (Excerpt)

We shall aspire to harmony and prosperity with local communities.

#### <Basic stance of the Yokohama Rubber Group>

1. We shall never forget that we are members of society, and shall endeavor to exist harmoniously and prosper together with society as well as to build ties of trust with stakeholders.
2. We shall support the social contribution activities of our employees and breed a corporate culture oriented toward active participation by them in such activities.
3. We shall practice proper provision of information on business activities involving the community.

#### <To put our basic stance into practice — our action>

Our activities of social contribution shall not be confined to those through our business activities; we shall also take a proactive part in volunteer programs and social activities rooted in the local community.

## Message from a manager

We recognize that aiming for harmony with local communities where we conduct business is of the utmost importance, in order to achieve both social trust and business management, and to provide sustainable value as a global company.

Yokohama Rubber continues to foster community engagement through innovative initiatives, such as the annual "Biodiversity Panel Discussion" held at the Hiratsuka manufacturing plant. In 2023, the event incorporated web-based components to broaden participation and enhance communication with local residents.

In addition, as part of our support for disaster affected areas, we made donations to the affected areas in Japan and provided relief supplies such as water and food to local residents overseas.

The Yokohama Magokoro Fund, an employee-driven social contribution fund established eight years ago, provided support to 13 organizations working in environmental protection, social welfare, and other areas in fiscal year 2023. The fund also contributed to four disaster relief efforts.

Furthermore, by actively participating in volunteer activities such as disaster relief and environmental conservation, employees aim to deepen their understanding of local and societal challenges. We are committed to working alongside community members to develop solutions and contribute to a better future.

We will continue to strive to become a company and office that realizes our CSR slogan, "Caring for the Future".

Yosuke Todaka,

General Manager, CSR Planning Department, CSR Division

## Vision for FY 2026

- Building a trusted identity together with local communities  
To achieve this, we will use various forms of engagement and focus on issues and development in the local communities.
- A worldwide system is in place to apply what stake holders have to say.
- The total number of trees planted and saplings provided in Japan and overseas reached 1.50 million in 2030.

## Community Involvement and Development grievance mechanisms

As a general rule, we hold meetings with local residents twice a year for the purpose of community communication, but from the perspective of preventing the spread of the COVID-19, we basically stopped holding these meetings.

There were no complaints regarding social impact to the formal grievance mechanism. Each of our sites has established a consultation services to receive feedback from the local community. We have also set up an inquiry form on our corporate website. (<https://www.y-yokohama.com/global/contact/>)

## Priority action items to be addressed

The following items have been established as the main action items that the Yokohama Rubber Group will address first, taking into account the level of impact of business activities and the level of social interest.

Local  
Communities >

Market  
Presence >

# Local Communities

## KPI

| Item   | FY 2022 results     | FY 2023 results     |
|--|---------------------|---------------------|
| Implementation rate of community activities and dialogs  | (Consolidated) 100% | (Consolidated) 100% |
| Businesses with a negative impact on the local community | (Consolidated) 0%   | (Consolidated) 0%   |

## Responsible Departments

Each business location

※The Corporate Social Responsibility Planning Department and Environmental Protection Promotion Department serves as a secretariat for the deployment of policies and sharing information.

## Our position and Targets

### Why is “Engagement with Local Communities” a critical issue to be addressed? Explanation of the reason and background

The Yokohama Rubber Group currently conducts production activities in 39 countries. If the Group commenced operations or withdrawals from any region, it will have a social impact on the community in terms of the environmental impact, employment, etc. Because that impact varies depending on the circumstance of each region, we believe that it is extremely important for the Group's sustainable management to consider how to expand the positive impact and reduce the negative impact while engaging with local communities, and to then take action accordingly.

### Vision and targets

As a globally active business, we relate to local communities in a number of domains - the natural environment, law, culture, customs and the economy. We will strive to build a healthy relationship for various local communities together with our both domestic and overseas offices. The following three points are aimed for as the vision for 2026.

- Building a trusted identity together with local communities  
To achieve this, we will use various forms of engagement and focus on issues and development in the local communities.
- A worldwide system is in place to apply what stake holders have to say.
- We have planted a total of 1.50 million trees and saplings worldwide in 2030.

## Measures for vision achievement

The following approaches will be considered from various perspective to achieve our vision.

- Social gatherings with local residents as a form of communication in local communities will be held twice a year as a general rule.
- We are conducting activities in cooperation with local NGOs at production and R&D bases in Japan\* where biodiversity conservation activities are being commenced. We conduct biological monitoring while receiving instructions on matters such as the names and ecology of wild birds and aquatic organisms from chapters of the Wild Bird Society of Japan and nature conservation organizations.
  - • • eview of FY 2023 activities (1)
- At ThinkEco Hiratsuka, an environmental event held at Hiratsuka Factory, we held a panel discussion on biodiversity and discussed together with local residents how Yokohama Rubber can protect and improve area waterways.
  - • • eview of FY 2023 activities (2)
- Seedlings raised as part of the YOKOHAMA Forever Forest Project activities are provided to schools, social welfare facilities, NPOs, etc. that conduct tree planting activities in the region.
  - • • eview of FY 2023 activities (3)
- As the disaster area reconstruction support in response to the Great East Japan Earthquake, we have conducted tree planting activities in an embankment called the “Heisei Forest” from 2012 to 2015, in order to support the creation of a “Forest That Protect Lives”, which is one of reconstruction plans of Otsuchi Town, Shimohei County, Iwate Prefecture. Since 2014, we have also supported forest development and afforestation activities as part of the Furusato Class programed at Otsuchi Gakuen (including the former Otsuchi Elementary School).
  - • • eview of FY 2023 activities (4)
- The Social Contribution Support Program and Volunteer Leave Program have been established to support volunteer activities by employees.
  - • • eview of FY 2023 activities (5)
- The Yokohama Magokoro Fund launched in May 2016 enables employees to put aside funds from their monthly salary which can be donated to organizations including NPOs, NGOs, or social welfare corporations in support of their efforts in social welfare, educational support in poverty regions, and environmental conservation activities; or to disaster relief funds in the event of a natural disaster. Yokohama Rubber provides support through matching gifts contributing the same amount of the money done by the fund.
  - • • eview of FY 2023 activities (6)
- We support the maintenance of infrastructure and services in various countries and regions in which we operate sites. We support volunteer efforts for restoring areas affected by flooded rivers, manufacture school play equipment and toilets, and supply devices for cleaning rain water.

※Mie Plant, Shinshiro Plant, Mishima Plant, Onomichi Plant, Ibaraki Plant, Nagano Plant, Hiratsuka Factory, Yokohama Tire Retread Hokkaido Office, Saitama Office, and Nagoya Office, D-PARC, Aichi Tire

# Review of FY 2023 Activities

The following measures were conducted during FY2023.

(1) Yokohama Rubber is committed to biodiversity conservation at all of its production facilities, both in Japan (12 locations) and overseas (9 locations). In fiscal year 2023, the company continued its ongoing biodiversity initiatives, which include:

- Wildlife surveys and monitoring
- Removal of invasive species (through uprooting and other methods)
- Coastal cleanups

(2) Yokohama Rubber hosted its 9th annual Biodiversity Panel Discussion, focusing on the theme "Our Conservation Efforts Contributing to Global Goals: Utilizing Other Effective Area-based Conservation Measures (OECMs)." The event, which was held both online and in person, brought together a diverse group of stakeholders, including employees from Yokohama Rubber and its subsidiaries, government officials, local residents, and representatives from environmental NGOs.

The panel discussion featured a keynote address by Mr. Shinichi Takagawa, Chief of the OECM Task Force at the Nature Conservation Society of Japan. The event then focused on Yokohama Rubber's efforts to create a factory environment that supports the habitat of the Japanese sparrowhawk (Sashiba) at the company's Ibaraki factory. This presentation sparked a lively discussion among participants.

In March 2024, Yokohama Rubber hosted its 10th annual Biodiversity Panel Discussion, focusing on the theme "Our Efforts Towards New Global Goals."

(3) In the OKOHAMA Forever Forest Project, 28,597 seedlings were provided during 2023, for a cumulative total of 527,261 seedlings.

(4) Tree planting has been postponed for two years due to the spread of COVID-19 infection, but on April 28, 2022, together with 79 children from Otsuchi Gakuen (4th grade elementary school) in Otsuchi Town, Kamihei District, Iwate Prefecture, we planted approximately 530 seedlings in the "Heisei no Mori" mound at the Otsuchi Sewage Treatment Center after learning the meaning of tree planting. This was the final tree planting at the Heisei-no-Mori mound, which began in 2012. From FY2022, we began weeding activities of tree mounds that were planted by children together with the Otsuchi NPO and volunteer organization council members. We will be working with the local community for mound maintenance for three years, when weeding activities are no longer required.

(5) Yokohama Rubber's "Social Contribution Activity Support System" provided assistance to 17 employee-led volunteer initiatives in 2023. These initiatives included:

- Supporting an NGO that provides clothing and school supplies to impoverished communities in the Philippines by collecting and donating items gathered by employees.
- Participating in tree-planting events across Japan.
- Supporting disaster relief efforts in affected regions.

(6) Various sites supported the maintenance of infrastructure and services in various regions.

- An example of this is Shandong Yokohama Rubber Industrial Products Co., Ltd. (YRSC), which took part in disaster-prevention training run by the local municipality (Ministry of Agricultural and Rural Affairs) to prepare against large typhoons. Training was run over a two-day period, and included filling sandbags, closing off flooded areas, and drainage training in the event that flooding affects farmland.



Blocking the overflowing area and draining the water



## Yokohama Magokoro(Sincere Heart) Fund

The Foundation and the company made donations as matching gifts to organizations in Japan and abroad that provide assistance in times of disaster, environmental conservation, and child welfare support. In 2023, the foundation and the company made 17 donations.

The total amount of donations was approximately 66.01 million yen.

Under the Yokohama Magokoro Fund, contributions (from 100 yen to the desired amount per month) are collected from employees (members) who support the fund, members recommend an organization they would like to support, and a Fund Steering Committee composed of member representatives then screens the recommended organizations and decides whether to make a donation.

In addition to donating to various approved organizations, Yokohama Rubber also adopted a system called a "matching gift" where it contributes the same amount to the fund. Currently, about 42.5% (As of December 2023) of the employees are participating in the fund, and each employee feels it is important for the company as a whole to contribute to society through the fund.

(Major Supporting Organizations)

Child Fund Japan (Certified NPO)

Japan Hearing Dog Association (Public Interest Incorporated Association)

Kanagawa Prefectural Hospital Children's Medical Fund

(Major disaster relief efforts)

2023 Turkey-Syria Earthquake Relief Fund

Heavy Rains Caused by Typhoon No. 2 and Associated Active Front

2023 Hawaii Wildfires (USA)



## Introduction of Initiatives

### Support for prosthetic hand assistance activities in Kanagawa Prefecture and regions in Eastern Japan

As part of efforts to provide support to people requiring prosthetic hands\*<sup>1</sup>, we provided donations from fund-raising activities to the Kanagawa Myoelectric Prosthetic Hand Bank.

The "Kanagawa Myoelectric Prosthetic Hand Bank" was established in April 2022 by the Social Welfare Corporation "Kanagawa Rehabilitation Center" that provides comprehensive rehabilitation services for enabling people with disabilities to take part in social activities.

In addition to providing myoelectric prosthetic hands for training at rehabilitation facilities, funds are used for supporting the increased uptake of myoelectric prosthetic hands in Kanagawa Prefecture and regions in Eastern Japan.

※1 An electric prosthetic hand that allows the user to move their fingers at will by using the small amount of muscle potential generated when muscles contract.



### Y.T. Rubber Co, Ltd. (YTRC) (Thailand)

Y.T. Rubber Co., Ltd., a natural rubber processing company of Yokohama Rubber, took part in meetings between local communities and official bodies (schools, hospitals, temples) in the Surat Thani district of Thailand, exchanged information and participated in donation drives to facilitate regional development. Yokohama Rubber actively supports local development initiatives through employee volunteer participation in community tree planting activities and sports events, as well as through sponsorships.

When flooding affected villages adjacent to our plants, we provided drinking water and rice to all households in two nearby villages, which was greatly appreciated.



Donation of YOKOHAMA tires to local emergency services



Support for drinking water at school sports days



Volleyball Tournament Support

## Yokohama Tire Manufacturing (Thailand) Co., Ltd. (YTMT) (Thailand)

The following activities for local communities were carried out.

- Environmental response activities, including tree planting, biodiversity education, and fish stocking
- Activities to strengthen relations with local communities, including participation in local events
- Cultural preservation activities, including the protection of temples
- Social contribution activities such as volunteer activities and donations

In 2023, YTMT participated in educational programs promoting safety awareness in schools and supported anti-drug campaigns through community clean-up activities.



## Yokohama Tire Philippines, Inc. (YTPI) (Philippines)

### Enriching the local environment through seedling donations.

In June 2023, as part of Environment Month activities and in commemoration of the 32nd anniversary of the Mount Pinatubo eruption, YTPI donated 100 saplings to the Angeles City, Baler's Municipal Environment and Natural Resources Office (MENRO). These saplings were nurtured at the YTPI facility and included a variety of species. YTPI also donated seedlings to other organizations. These donations contribute to the beautification and sustainability of the local environment, helping create a greener and healthier community for everyone.





## **Yokohama Tyre Vietnam Inc. (YTVI) (Vietnam)**

While these efforts were small in scale, we provided assistance to local communities, such as visiting and donating to facilities for disabled people and orphanages.



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

YRPZ participated in a tree-planting initiative launched by the Lipetsk Special Economic Zone (SEZ). Working alongside other SEZ companies, YRPZ planted 200 trees and 40 shrubs within the SEZ territory. YRPZ also participated in a volunteer campaign to support a regional rehabilitation center for children battling cancer located outside the city. YRPZ employees visited the center and assisted with cleaning the grounds.



## Yokohama Tire México, S de RL de CV (YTMX) (Mexico)

The YTMX team donated to the Red Cross to support the people of Acapulco affected by Hurricane Otis.



## Future challenges

As for environmental impact assessments through biological monitoring, the framework for the PDCA cycle including communication with local residents was completed, and biodiversity conservation activities have begun. We have developed guidelines for conducting activities while taking precautions against infection by COVID-19, and we will consider how to apply the results of our activities to the local communication.

In addition, in order to solve social issues in the community, we will promote volunteer activities that can be carried out at Corona Perfection and activities through the YOKOHAMA Magokoro (Sincere Heart) Fund.

# Market Presence

## KPI

| Item  | FY 2022 results      | FY 2023 results      |
|---|----------------------|----------------------|
| Ratio of business locations that have made salary payments exceeding the minimum wage | (Consolidated) 100%  | (Consolidated) 100%  |
| Percentage of senior managers hired from the local community                          | (Consolidated) 34.1% | (Consolidated) 32.1% |

## Responsible Departments

Each business location and HR Department

## Our position and Targets

### Why is “Market Presence” a critical issue to be addressed?

#### Explanation of the reason and background

As a large automotive market shifts overseas going forward, production and sales at each business location must be conducted for products that respond to the demands of each country and region. Furthermore, there will be no growth if business activities are not conducted in line with the unique cultures and customs of each country and region. For this reason, we recognize the importance of employing employees from the region of business locations, promoting these employees to management positions, conducting business activities, and producing economic benefits in these regions.

#### Vision and targets

In the tire business, we will promote the "Product and Regional Business Strategy" to expand sales of products in line with market trends in each region. The Group will review its existing production system and consider increasing production at its overseas tire plants in line with future market trends.

To this end, we will conduct employment in the countries and regions where business locations are located, promote these employees to management positions, rotate these employees on a global level, and conduct training programs to accumulate knowledge.

#### Measures for vision achievement

- Employment of local human resources for operations at each business location, development of management candidates
- Development and training for global human resources, global rotation of human resources

## Review of FY 2023 Activities

The salaries for operations for local employees at overseas business locations are set in consideration of the wage provisions set by law in that country and region. In addition, a salary system has been developed based on skills improvements and position assignments.

We aim to achieve a harmonious existence with local communities, where key business sites focus on sourcing raw materials and resources from local suppliers.

Yokohama Rubber has achieved significant local sourcing rates in its overseas operations. For example, in India, 99.8% of materials are sourced locally, with 82.0% coming from within India itself. Similar initiatives in China and Russia have been successfully completed.

We are also focusing on local procurement of natural rubber in the Philippines (53% in FY2023).

### Yokohama Tire Vietnam Inc. (YTYI) (Vietnam)

We have 7 Japanese employees out of a total of 577, and we encourage the appointment of women to management positions (General manager class). Three of our ten managers are currently women. Our operation is supported by the success of women in leadership positions.

In 2023, the Yokohama Rubber Group recognized International Women's Day in March and Vietnamese Women's Day in October with company-sponsored commemorative gifts and celebrations organized by the labor union, including special meals.



### Hangzhou Yokohama Tire Co., Ltd. (YIPHZ) (China)

The Yokohama Rubber Group employs 125 people at this location, with 120 being local hires. Of the 14 management positions, all are filled by local staff. Of the total number of employees, 30% are women. The number of female managers at the section manager level and above is almost 50%, and there are equal opportunities for advancement and promotion for both men and women. We have a system that allows employees to take maternity leave as needed, and we also recruit widely from the Hangzhou area to provide equal hiring opportunities and fair promotion and advancement within the company without discrimination based on gender or region of origin.



Photo from the Morning Meeting (10-Year Service Award)

## Yokohama India Pvt. Ltd. (YIN) (India)

In hiring, assigning, and evaluating employees, we do not discriminate on the basis of race, religion, gender, age, or any other factors, and we operate fairly and consistently without any preconditions in accordance with our policies. We also ensure that all employees are familiarized with this policy through training at the time of hiring and periodic refresher courses. We also follow a clear policy on unethical behavior and harassment in the workplace.

In India, opportunities for female graduates in the manufacturing sector remain limited. Recognizing the critical role of women in India's development, Yokohama Rubber began hiring female graduates for production roles in 2022, creating new avenues for their professional growth.

The Yokohama Rubber Group in India is committed to creating a workplace that is both safe and inclusive for women. With over 100 female employees already working at the facility, the company aims to achieve a 50/50 gender balance in its workforce. To support this goal, the company has implemented a range of initiatives, including:

- Extensive monitoring cameras throughout the factory
- Female nurses and security personnel
- Dedicated transportation for female employees
- Women-only facilities
- On-site childcare facilities

These investments demonstrate the company's commitment to ensuring that all employees, regardless of gender, have a positive and safe working experience.

On the other hand, based on the Code of Conduct for employee, which contains clear criteria and procedures for decision-making, we operate disciplinary and grievance mechanism for employees, as well as an objection system, in a fair manner.



## Suzhou Yokohama Tire Co., Ltd. (CSZY) (China)

CSZY is committed to promoting local talent and leadership. The company actively recruits for management positions both internally and externally, ensuring that local expertise is represented. Out of 23 management positions, 19 are held by local hires. Additionally, four local women have been promoted to the position of Section Manager.

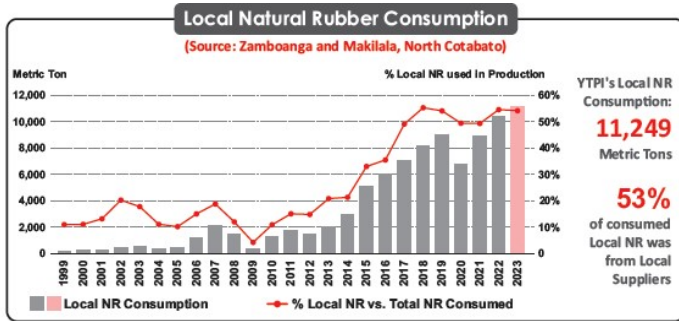
China's law mandates that companies employ at least 1.5% of their workforce with disabilities. Yokohama Rubber currently employs five individuals with disabilities, demonstrating its commitment to inclusive employment practices.

Gender plays no role in the hiring, compensation and other conditions for employees. Of our total 870 employees (as of the end of December 2023), 96 are females.

## Yokohama Tire Philippines, Inc. (YTPI) (Philippines)

We are focusing on raising the ratio of expenditure towards local suppliers for key business sites.

Yokohama Rubber is committed to promoting a "local for local" approach in the Philippines. The company has been expanding its sourcing of natural rubber from within the Philippines since 2014. In fiscal year 2023, the company achieved a 53% local sourcing rate for natural rubber.



For further information on other initiatives, please refer to [Supplier Environmental Assessment](#) > [Sustainable Supply Chain Development](#).

## Future challenges

Together with the expansion of operations at business locations overseas, we will instill the Action Guidelines among employees newly joining the Yokohama Rubber Group. In addition, the establishment of a structure that makes cooperative activities aimed at the resolution of social problems that communities face is an issue, in addition to the economic effect associated with business activities.