

YTPi CSR 2022 Technical Working Group (TWG)

Committee Head: Angelina C. Casasola

Editor-In-Chief: Geraldine B. Bautista

Managing Editor: Joanne M. Pangilinan

Creative Director & Photographer: Patrick P. Pineda

Advisers: Allan R. Lavarias

Contributors: Cost Planning Section

Corporate Compliance and Internal Audit Section

Human Resource Management Section

Purchasing Section

Environmental Management Section

Safety Management Section

Quality Assurance Section

Public Relations and Gen. Services Section



Yokohama Tire Philippines, Inc.

Industrial Estate 5, Clark Freeport Zone, Pampanga,
Philippines 2023

CSR and Business Operations

+63-45-599-3603

+63-45-599-3613 / +63-2-584-4087

angelina.casasola@ytpi.com

www.ytpi.com

Yokohama Tire Sales Philippines, Inc.

3rd Floor Kentek Building, 828 A. Arnaiz Avenue,
San Lorenzo 1223, Makati City

Trunkline No.: (+63-2) 88817-5031

Fax No.: (+63-2) 88817-5035

www.yokohamatire.ph

Sustainability in Motion: Our Journey Towards A Greener Tomorrow



Sustainability in Motion: Our Journey Towards A Greener Tomorrow

About this Report

Yokohama Tire Philippines, Inc. (YTPI) is pleased to present its 14th annual Sustainability Report, covering the company's performance from January 1 to December 31, 2022. The report highlights the company's achievements in areas such as customer and employee initiatives, environmental sustainability, contributions to the Philippine economy and society, and profitability.

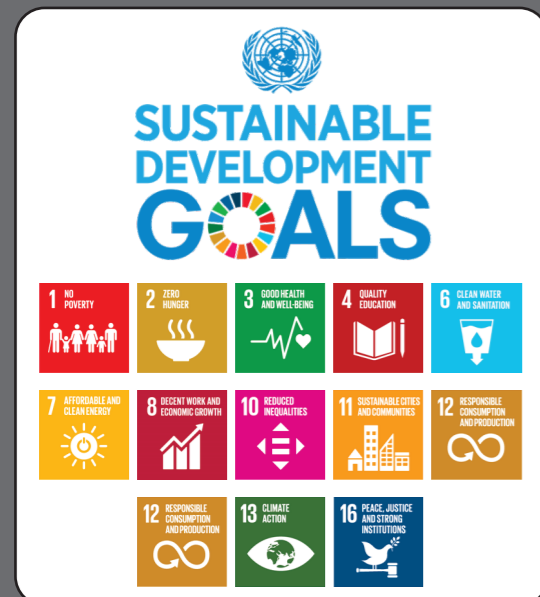
Please note that this sustainability report may contain estimates or projections that constitute "forward-looking statements." While we believe these statements are founded on reasonable assumptions, real numbers and outcomes may vary significantly from past experience and our current expectations or projections. We advise readers not to place undue reliance on these forward-looking statements.

As a company committed to standardized business ethics and transparency, we aim to provide our stakeholders with a convenient platform to stay informed about our operations through this report.

We welcome feedback from our internal and external shareholders and encourage them to share their questions, suggestions, or comments regarding the content with us. Please send your inquiries to:



Angelina C. Casasola
Vice President, CSR & Business Operations Dept.
Administration Division
Tel. no.: (+63-45) 599-3603
Fax no.: (+63-45) 599-3613



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About the Cover

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

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

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



Message from the President and CEO

“
We have achieved our 2022 goals, including meeting production and shipment targets, providing a safe workplace for our employees, promoting environmental sustainability, offering career growth opportunities, and fostering meaningful relationships within our community. We are pleased to see the tangible results of our hard work, skills, talent, and strong business ethics.”

As we continue to navigate an ever-changing world, we must carry forward the lessons and insights we have gained from the pandemic. We have identified areas of strength and areas that need improvement, and we are positioning ourselves to become an industry leader that contributes positively to society while maintaining our operations.

We have achieved our 2022 goals, including meeting production and shipment targets, providing a safe workplace for our employees, promoting environmental sustainability, offering career growth opportunities, and fostering meaningful relationships within our community. We are pleased to see the tangible results of our hard work, skills, talent, and strong business ethics.

We have achieved significant growth in all areas of our business and remain committed to maintaining transparency in our activities, from corporate dealings to our plant processes. Our inputs and outputs are included in YTPI's 2022 Sustainability Report.

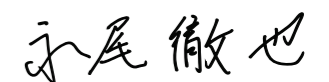
As we enter fiscal year 2023, we must continue to uphold our best practices to maintain our position as a benchmark for all tire manufacturers. We must work towards our 2023 targets and improve communication within the company. We will begin addressing everyone by the neutral honorific "-san," irrespective of their employment status or designation.

By respecting each other's roles, we can express different viewpoints and find the best solutions. We will also start monthly sectional meetings to promote healthy relationships between superiors and subordinates while adhering to COVID-19 safety guidelines.

We are proud to have achieved zero fatal accidents in our facilities in 2022, thanks to the vigilance of our team members. We congratulate and thank everyone for remaining safe and efficient, and we must continue to prioritize safety.

We extend our sincere appreciation to our external stakeholders, including partners, service providers, suppliers, local government, customers, and others, for their invaluable support and contributions to our continued success. We remain committed to improving our business practices while upholding our responsibility to respect the environment, support livelihoods, and foster inclusivity.

Our focus remains on staying true to our core values and ensuring the safety of all those involved in our operations as we look forward to 2023.



Mr. Tetsuya Nagao
13th President and Chief Executive Officer



Japanese cutting-edge technology and Filipino craftsmanship

In its pursuit to be globally competitive, The Yokohama Rubber Company, Ltd. (YRC) partnered with JFE Shoji Trade Corporation to establish its first tire manufacturing facility in Asia outside Japan. This venture conceived a subsidiary company called Yokohama Tire Philippines, Incorporated (YTPI) in April 30, 1996. Its goal was to produce Yokohama brand passenger car radial (PCR) and recreational vehicle (RV) tires for the global market. Through the years, YTPI plays an important role in the distribution of tires that people can trust in the Asia-Pacific region.

To date, YTPI is one of the largest facilities in Clark Freeport Zone employing thousands of employees and producing millions of tires every year. Since it started its operations in 1998, YTPI has been an industry leader in tire technology and innovation across the globe.

MISSION
To delight customers by delivering the best tires while caring for the environment and the community.
VISION
To be a trusted tire manufacturing plant with world-class quality.
CORE VALUES
Dedication, Sincerity and Excellence

Our Corporate Philosophy

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

our personnel, and employ our machines with maximum efficiency and productivity.

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

YTPI MIDTERM MANAGEMENT PLAN

VISION To be a Trusted Tire Manufacturing Plant with World-Class Quality	MISSION To delight Customers by delivering BEST TIRES, caring for the Environment & the Community	CORE VALUES Dedication Sincerity Excellence
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#1

"Producing Quality Tires is our Greatest Pride"

VALUE INNOVATION 2021-2023

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

YTPI MIDTERM MANAGEMENT PLAN AT A GLANCE

RAISE

Raise Efficiency and Reinforce Mudadori

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

CREATE

Value Creation to improve Financial Integrity

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

TRANSFORM

Environment, Social and Governance (ESG) - driven operations

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

Customer Value

Asset Value

Social Value

Who We Are

Company Name:
Yokohama Tire Philippines, Incorporated

Date of Incorporation:
April 30, 1996

Business Address:
Industrial Estate 5 Clark Freeport Zone,
Philippines, 2023

Land Area:
452,019 sq. meters

Factory Area:
265,233.27 sq. meters

Business (Manufacturing):
Passenger Car Radial Tires (PCR)
Recreational Vehicle Tires (RV)
Light Truck Tires

Total Work Force:
3,108 Direct Employees
655 Indirect Employees

Tire Size Line-up:
13-20 inch

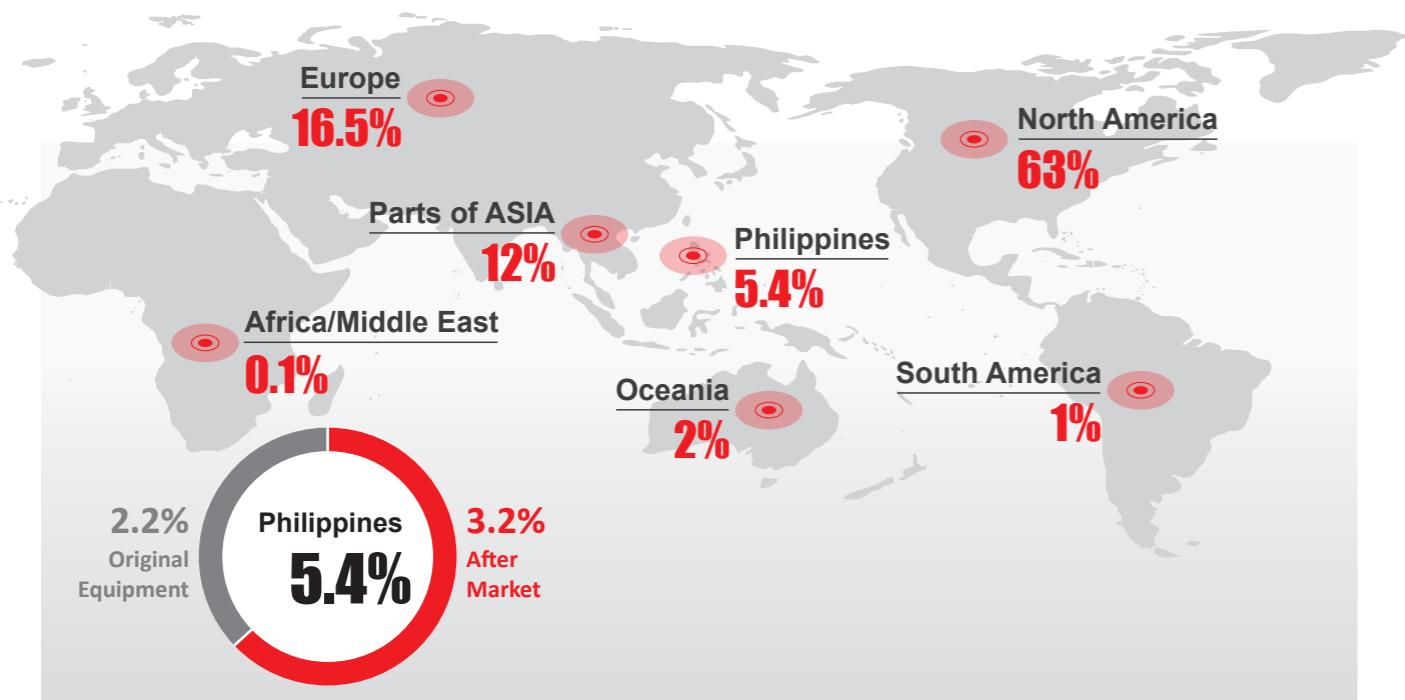
Certifications



Affiliations

- Philippine Chamber of Commerce and Industry- (PCCI)
- Japanese Chamber of Commerce and Industry of the Philippines, Incorporated (JCCIPI)
- Environmental Practitioners Association (EPA)
- Philippine Management Association of the Philippines (PMAP)
- Safety Organization of the Philippines (SOPI)
- Philippine Society of Training and Development (PSTD)
- Employers Confederation of the Philippines (ECOP)

Production Destination Map



Main Production Line-up

TIRES YOU CAN TRUST

GEOLANDAR A/T GO13

The ideal all-terrain tire for all weather conditions, delivering a perfect blend of on- and off-road performance, capability and comfort for drivers of today's light trucks and SUVs.

<p>BluEarth-Es</p> <p>Provides a well-balanced package of the four core performance traits of any tire-wet grip, wear resistance, durability, and fuel efficiency.</p>	<p>BluEarth-4S</p> <p>Provides outstanding performance on icy and snowy winter roads as well as excellent dry and wet performance under more normal driving conditions.</p>	<p>ADVAN FLEVA</p> <p>Providing sporty handling, supremely quiet ride and superior wet grip, this environmentally-friendly tire sets a new standard for sport tires.</p>	<p>GEOLANDAR CV</p> <p>The grand touring tire for crossover SUVs, with excellent wet performance and driving confidence even in the snow, delivering responsive handling and greater comfort on the long highway drives.</p>	<p>iceGUARD</p> <p>The tire that sets a new standard for winter control and safety. iceGUARD tires allow more confident handling on both ice and snow.</p>
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CORPORATE GOVERNANCE

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

(Excerpt from our Corporate Charter of Behaviour)



Corporate Governance

Yokohama Tire Philippines, Inc.'s (YTPI) business principles and practices are established and designed to have a strong organizational culture and to preserve the company's ethical compliance; YTPI upholds the highest standards of

integrity and transparency, without exception. It puts an emphasis on the interests of its stakeholders while continuously creating and improving a system of controls in achieving corporate targets.

A Strengthened Culture

YTPI remains fully committed to fostering ethical behavior in all its endeavors, thus all of its employees and partners are expected to adhere to the strictest business and personal ethics when fulfilling duties and responsibilities.

Competition Law Compliance Policy

Competition Law Compliance Policy is also available to bolster compliance culture. This policy sets out the scope and purpose of the Philippine Competition Act to the extent of its applicability in YTPI. New policies are being drafted to further strengthen the Compliance Culture.

Anti-Bribery and Corruption

Policy on Anti-Bribery and Corruption, as well as the Specific Guidelines on Offering and Receiving of Facilities (NO GIFT POLICY) is in place to guide all the members of the organization in dealing with third parties, and to maintain the company's independence towards the public.

Whistle Blower Policy and FEAR Factor Program

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

YRC Audit

YTPI, being monitored by its mother company-Yokohama Rubber Corporation (YRC) headquartered in Japan, is subjected to Internal Controls Audit every three years. A week-long audit was conducted in November 2022. This aimed to provide a reasonable assurance about YTPI's operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

YTPI aims to create an environment that fosters growth and compliance by strengthening the Corporate Compliance and Internal Audit Section and enhancing the implementation of controls. The company continuously commits to its guiding values and principles and to its never-ending pursuit of excellence and quality.

Eleven Categories during the YRC Audit:

1. Accounting & Finance
2. Fixed Assets Management
3. Credit & Collection Management
4. Sales Management
5. Inventory & Logistics Management
6. Purchasing Control
7. Human Resource Management
8. General Affairs Management
9. Legal & Compliance
10. IT Security Management
11. Environment and Safety Management

SUPPORT

YTPI FEAR FACTOR PROGRAM

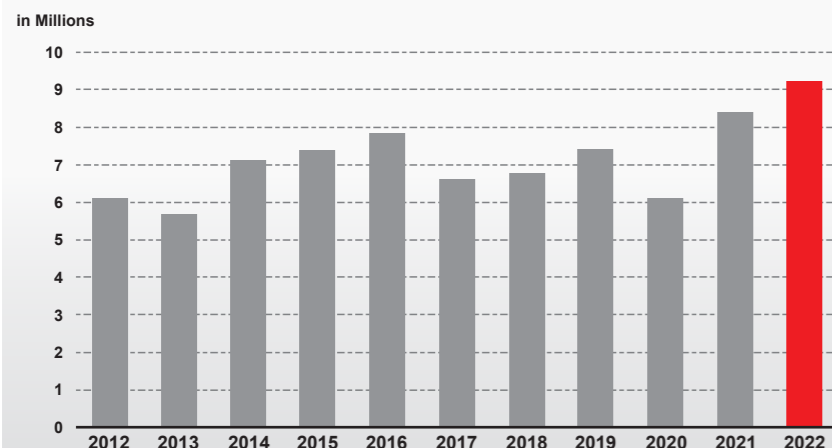
Fraud Elimination & Accountability Role

Let us support the YTPI FEAR FACTOR program. Report frauds now!

For details: Please contact Corporate Compliance & Internal Audit Section @ local 152

ECONOMIC PERFORMANCE

Annual Production Trend (10-Year Data)



YTPi Achieves Record-High Tire Production and Sales Volume in 2022, Drives Operating Income Growth

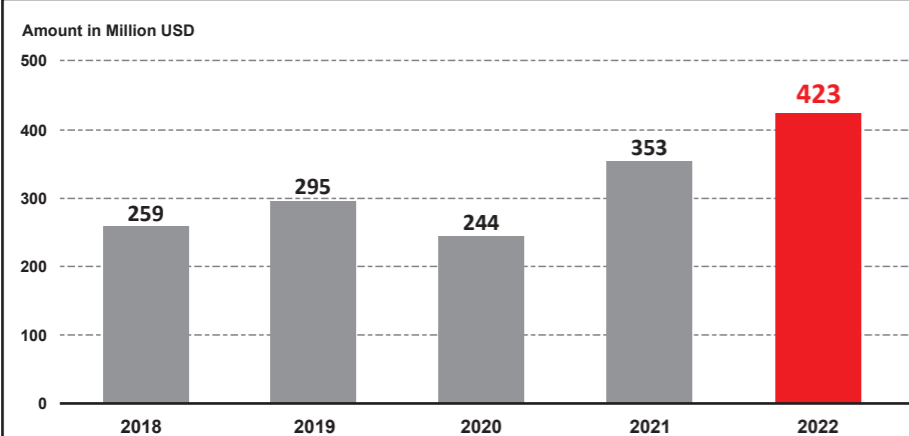
9,220,531
Tires Produced

The bar graph above shows YTPi's annual production trend by the number of tires produced from Year 2012 to 2022.

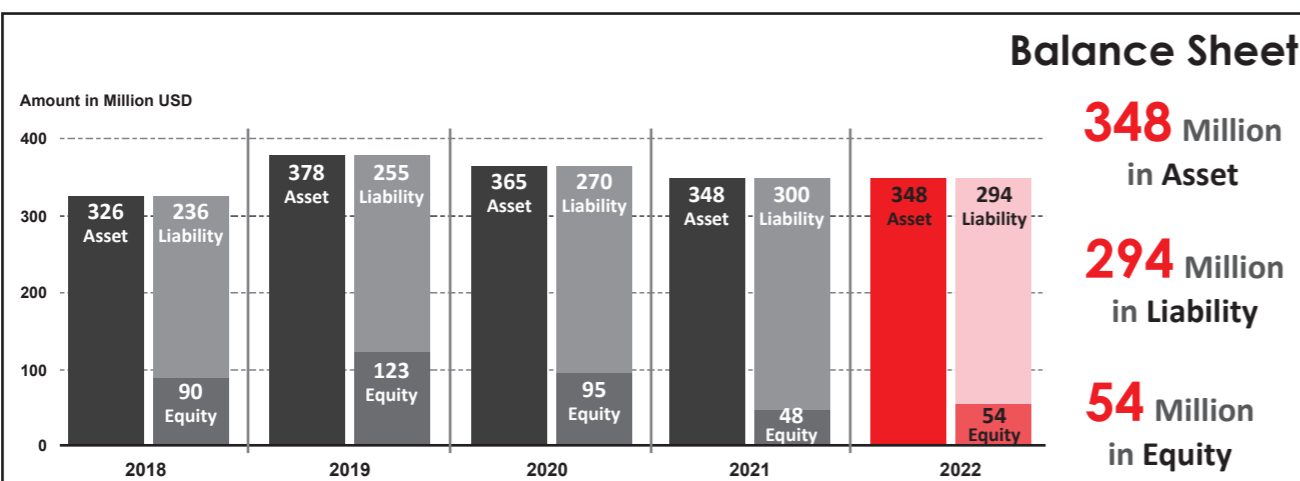
YTPi have manufactured a record high 9,220, 531 tires in 2022, a whopping increase of 9.77% versus 2021's 8,399,741 total number of produced tires.

The 820,790 produced tire gap is a result of continued efforts in boosting business operations to meet client orders all over the globe.

Financial Highlights (5 Year Data)



423 Million
USD in Sales



Balance Sheet

348 Million
in Asset

294 Million
in Liability

54 Million
in Equity

Supporting Local Producers:

YTPi's Commitment to Sustainability

YTPi recognizes the significance of its localization project in its journey toward sustainability. This initiative not only helps reduce the company's environmental impact but also contributes to supporting the local economy.

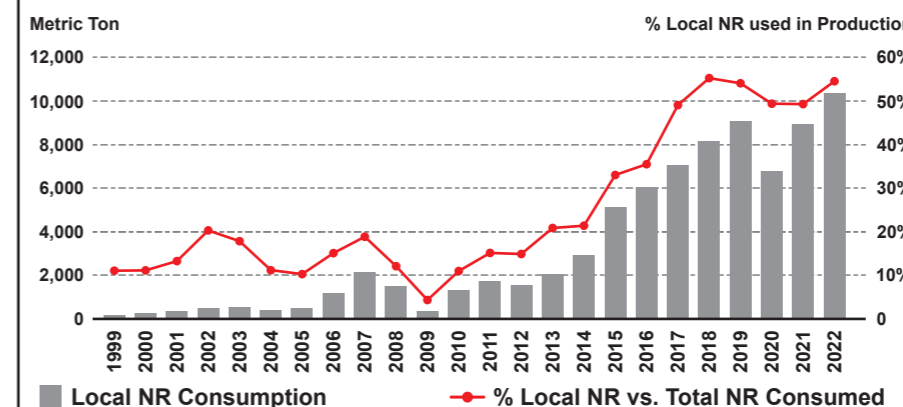
As YTPi's tire production capabilities have grown over the years, so has the demand for natural rubber. To meet this increasing demand, YTPi remains dedicated to its localization project, which has resulted in a substantial rise in the amount of locally sourced natural rubber. Prior to the initiation of this project, only about 20% of YTPi's natural rubber requirement was procured locally.



However, since 2014, the company's commitment to localization has led to an impressive increase in the percentage of Philippine natural rubber, now accounting for 54% of the total requirement.

Local Natural Rubber Consumption

(Source: Zamboanga and Makilala, North Cotabato)



10,325
Metric Ton
of local NR is
used by YTPi.

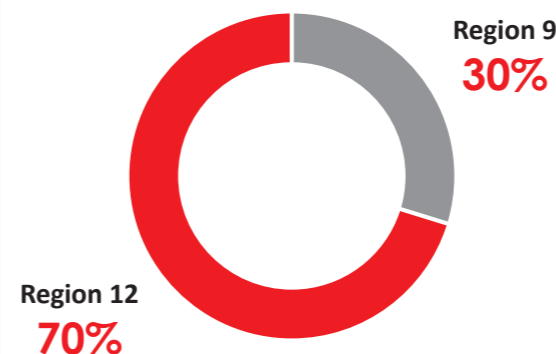
54% total
consumed
NR is from
local suppliers

Note: In January 2023, YTPi conducted a factory trial of 1.26MT of Philippine natural rubber (SPR20) from BARM. It is currently evaluated as potential additional supplier.

The direct beneficiaries of this localization project are the local farmers from regions 9 and 12. YTPi reaffirms its unwavering dedication by conducting

factory trials focused on Philippine Natural Product, aiming to enhance local supplier capabilities and expand their network of potential partners.

Source of SPR 20 Ratio



By actively supporting local producers, YTPi not only strengthens the local economy but also fosters sustainable practices within its supply chain. This commitment to localization aligns with the company's overarching sustainability goals and demonstrates its dedication to responsible business practices.

As YTPi continues its localization project, it is poised to make even greater strides in supporting local producers, reducing its environmental footprint, and contributing to the long-term well-being of the communities it operates in.

Human Resource Management

"Our greatest asset is our people. We live by three interconnected principles when it comes to supporting our team: embracing DIVERSITY, promoting EQUITY, and practicing INCLUSIVITY."

Yokohama Tire Philippines, Inc. is not just focused on producing the best tires for our customers - we're also dedicated to making a positive impact in the communities where we operate. By prioritizing our people and expanding our reach beyond our immediate vicinity, we aim to become a global employer of choice, attracting and retaining top talent.



With heavy focus on inclusivity, people empowerment, and agility, we aim to build a workforce that is as diverse as the clients we serve globally.

We take great pride in our distinctive employee benefits and training programs, which are designed to attract and nurture the talented individuals who drive our success. From our brand to our uniforms adorned with the YOKOHAMA logo, we want our team members to take pride in being a part of our company and to feel valued for their contributions.



YTP's representative for TPM Global Competition in Japan

Training Attendance Report

Our training attendance report demonstrates our commitment to employee development, with 4,478 employees receiving training across different positions. Team members received the most training with an

average of 44 hours per year, followed by supervisors/senior supervisors with an average of 31 hours per year and section managers/department managers with an average of 11 hours per year.

No. of Employee by Position and Kind of Training

Employee Position	No. of Employees per Year		
	Internal Training	External Training	Total
Team Members	3,281	116	3,397
Supervisors	761	134	895
Managers	98	88	186
Total	4,140	338	4,478

Average Hours of Training per Employee by Position

The report further shows that employees received more hours of training through internal training than external training for all positions. Functional training received the most hours, followed by organizational training and then behavioral training.

Employee Position	Average Hours of Training per Employee
Team Members	44
Supervisors	31
Managers	11

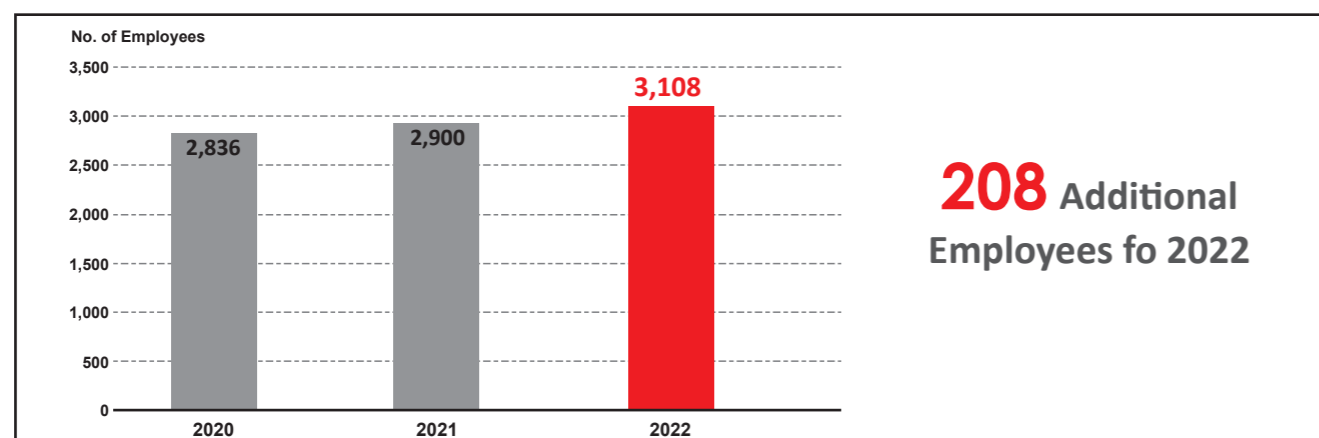
Average Hours of Training per Employee by Position and Classification

Employee Position	Training Hours of Employee per Year				
	Functional	Behavioral	Organizational	Internal	External
Team Members	21	1	22	26	18
Supervisors	19	1	11	16	15
Managers	10	0	1	2	9

YTP training programs are designed to help employees acquire new skills and knowledge needed to perform their jobs better. As employees develop new skills and competencies, they become more valuable to the organization, and this can lead to career growth opportunities and advancement within the company.

Therefore, investing in employee training is not only beneficial for the employees but also for YTP as a whole, as it promotes employee retention and development, ultimately leading to a more skilled and motivated workforce.

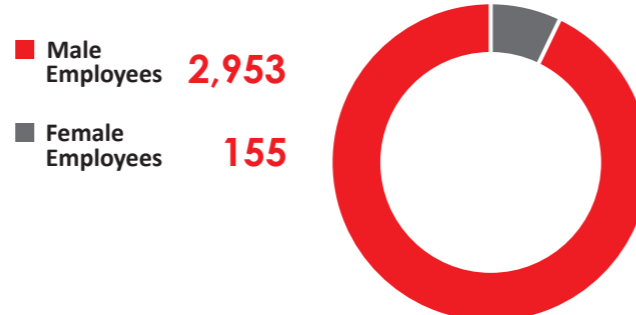
Employment Trend (3-Year Data)



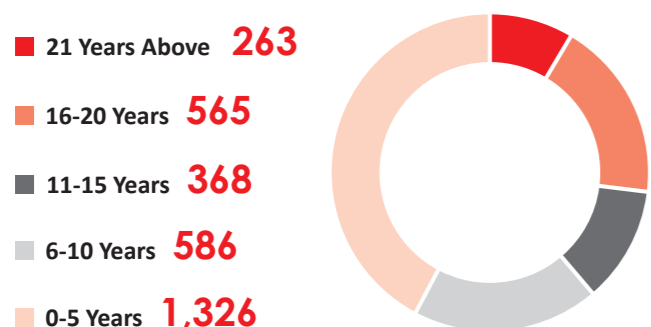
Employment by Rank



Employment by Gender



Employment by Length of Service



Employment by Location



Our Environmental Policy

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

YTPI's Commitment to Energy Conservation and Environmental Recognition: Achievements and Efficiency Summary

YTPI remains steadfast in enhancing safety, improving environmental practices, and optimizing operations. The company persistently pursues avenues for enhancing operational efficiency, demonstrating its commitment to constant improvement.



Input

Despite a 4.09% increase in electricity consumption compared to 2021, YTPI has achieved a 0.94% growth in renewable energy harvest, reduced fuel usage by 0.78%, and decreased water consumption by 1.46%. These positive outcomes can be attributed to various energy conservation initiatives undertaken by the organization.

Energy Consumption	2020	2021	2022
Electricity (Grid Power + Generated)	93,064 MWh	110,273 MWh	114,784 MWh
Electricity (Solar Energy)	4,232 MWh	5,108 MWh	5,156 MWh
Fuel (Boiler)	11,239 L	13,198 L	13,095 L
Water	565,319 m ³	652,266 m ³	642,791 m³

Output

YTPI made significant strides in 2022 towards sustainability, achieving a 0.07% reduction in carbon dioxide emissions and a 1.46% decrease in wastewater discharge compared to the previous year. These accomplishments underscore their commitment to sustainable practices and conservation efforts.

Emission & Discharge	2020	2021	2022
Carbon Dioxide	83,039 kg	95,358 kg	95,290 kg
Wastewater	299,619 kg	345,701 kg	340,663 kg

Waste Generation:

In 2022, YTPI witnessed a 3.6% growth in waste generation compared to the previous year, primarily driven by an increase in production. As the company scaled up its operations, the amount of waste produced naturally rose. However, YTPI was not deterred by this upward trend and actively sought ways to mitigate the environmental impact. Despite the rise in waste generation, YTPI managed to limit landfill or non-recyclable waste to a mere 0.341% of the total waste generated. This achievement is commendable, considering that it falls below the 0.5% threshold, making it qualify as 'Zero Landfill Emission.'

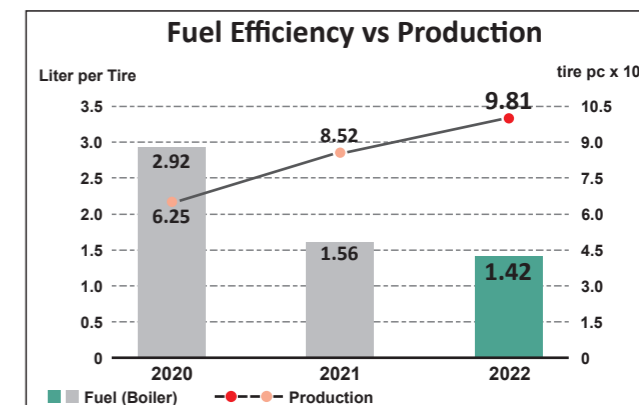
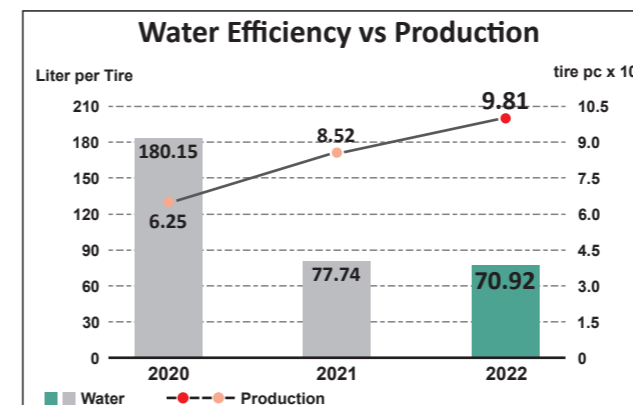
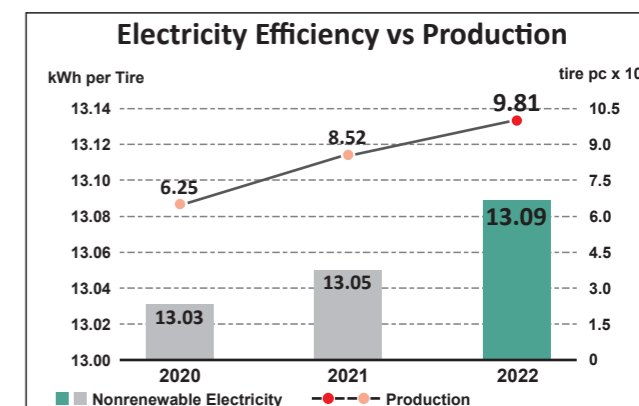
While YTPI's efforts to manage waste were substantial, the reusable-recycle rate reached 88.6%, slightly lower than the target set. Despite the slight setback in the reusable-recycle rate, YTPI remains committed to its waste management goals. The company recognizes the importance of minimizing its environmental footprint and acknowledges that there is room for improvement. Moving forward, YTPI will continue to prioritize sustainable practices, invest in research and development, and collaborate with experts in waste management to further reduce waste generation, increase recycling rates, and achieve even higher standards in waste management.

Waste Generated	2020	2021	2022
Reusable	81.1 tons	176.6 tons	214.9 tons
Recyclable	2,937.7 tons	3,020.7 tons	3,207.1 tons
Landfill	9.6 tons	16.1 tons	13.2 tons
Hazardous	64.7 tons	319.1 tons	419.9 tons
Total Waste Generated	3,093.2 tons	3,532.4 tons	3,855.23 tons
Landfill rate	0.32%	0.46%	0.34%
Reuse-recycle rate	93.3%	90.5%	88.6%

Energy Consumption Efficiency

The table shows YTPI's sustainability performance in electricity, water, fuel, and carbon dioxide emissions per tire produced for 2022. While the company succeeded in reducing water and fuel consumption by 8.77% and 8.63%, the achieved reduction of 0.31% in electricity consumption and 2.93% in carbon dioxide emissions are noteworthy, although not meeting the specific targets.

The results indicate that the company has made positive strides in sustainability efforts, but there is still room for improvement to meet its sustainability objectives.



"YTPI's 'Green Spaces' Project Wins Top Prize in Biodiversity and Community Contribution Category"

Yokohama Rubber Company introduces the Environmental Activity Award to acknowledge the environmental initiatives undertaken by its subsidiaries. This award aims to emphasize the significance of carbon neutrality and the circular economy.

YTPI's "Green Spaces" project stood out among six participants in the "Biodiversity and Community Contribution" category, earning recognition as the most remarkable and impactful submission.



Waste Management:

YTPI's Commitment to Sustainable Waste Management in 2022

YTPI actively participates in the national and social effort of producing a cleaner and sustainable Philippines by promoting the practice of proper waste segregation and disposal.

The company continues to prioritize sharing innovative strategies and exercises to facilitate waste management through various activities, such as orientations, visual awareness, clean-up drives, and more throughout 2022.

Information Drive:

Enjoining employees on the company's strong commitment on environmental protection, signage and reminders were posted in strategic locations within company premises to promote awareness on cleanliness and sanitation.



Posting of Signage to promoted proper waste disposal on parking area for both East and West Plant.

Waste Segregation

YTPI practices proper waste segregation by providing color-coded and labeled trash bins throughout the company grounds.



Renewable Energy:

Harnessing Power from the Sun

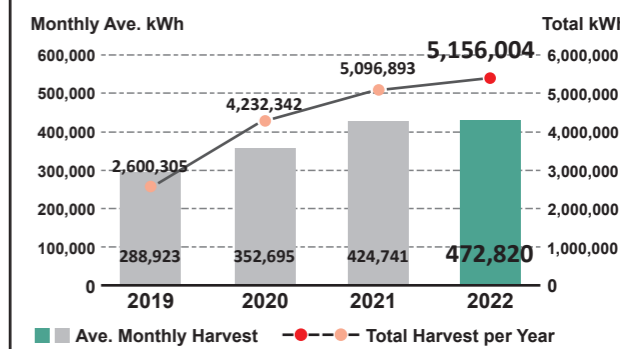
In our commitment to sustainability, we have successfully transitioned to a 4MW Grid Tied Rooftop Solar Photovoltaic system. This cutting-edge solution generates an impressive average of 429,667 kWh of renewable energy annually, enabling us to significantly reduce our carbon footprint. Moreover, this sustainable energy source covers 6% of YTPI's annual Grid Power requirement, demonstrating our dedication to utilizing clean and renewable power.



In 2022, the solar energy production reached an impressive total of 5,156,004 kilowatt-hours (kWh), marking a notable increase of 1.15% compared to the previous year. The growth in solar harvest supplied approximately 5% of the daily electricity needs of the production plant

It is worth noting that the implementation of a rigorous cleaning schedule for the solar panels contributed to an even higher solar energy harvest. In 2021 and 2022, the production plant adopted a new maintenance strategy, which involved cleaning the solar panels three times throughout the year.

Solar Harvest Yearly Comparison



This proactive approach to panel maintenance proved to be highly beneficial, resulting in an increase in the overall solar energy production.



Regular Cleaning of solar panels.

By regularly removing dust, debris, and other particles that accumulate on the panels, the plant ensured optimal sunlight absorption and improved the efficiency of the solar energy conversion process.

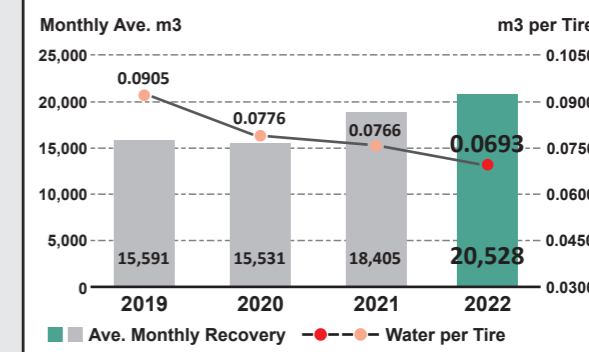
Furthermore, this achievement led to a commendable reduction of approximately 2,862 tons of CO2 emissions, showcasing the environmental benefits of solar energy utilization.

Rain Water Recovery

YTPI's rain recovery facility remains instrumental in the company's ongoing endeavor to minimize water usage. The year 2022 witnessed abundant rainfall throughout the months, leading to a notable 11.5% surge in rainwater recovery.



Rain Water Recovery vs. Utilization



This initiative, coupled with various other measures aimed at reducing consumption, has consistently paved the path for a sustained decrease in water usage per tire.

Environmental Conservation

YTPI's Tree Planting Program Creates Thriving Ecosystem

YTPI's small-scale reforestation efforts, aptly named the Forever Forest and utilizing the innovative Dr. Miyawaki Method, has yielded promising outcomes. In 2022, the Environmental Management System (EMS) undertook recent observations to assess the forest's progress, and the results are truly encouraging. YTPI's Forever Forest has fostered the growth and preservation of a remarkable array of organisms, including insects, arachnids, reptiles, and birds. Despite its relatively modest size, the forest has flourished into a complex and thriving ecosystem.

The presence of such a diverse range of species is a testament to the success of the tree planting program and the implementation of the Dr. Miyawaki Method. This method, known for its efficiency in promoting rapid and dense vegetation growth, has undoubtedly contributed to the forest's ability to sustain such biodiversity. Through careful planning and adherence to the principles of ecological restoration, YTPI has managed to create an environment that not only supports the survival of various species but also allows them to thrive harmoniously.



Our Health and Safety Policy

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

(Excerpt from our Health and Safety Policy)

The "SAFETY FIRST" Culture

The company takes pride in its culture of safety first. In 2022, YTPI continues to promote a safe working environment through various campaigns and programs.

2022 Safety Culture



10 Safe Man Rules



8,248,529
Man Hours
Total YTPI Safety Work
Man-Hours in 2022



YTPI's Search and Rescue Team from different process/sections (fillers)

Promoting Workplace Safety:

YTPI's Measures and Activities

In Y2022, YTPI maintained a high level of safety across all operations. This was achieved through its strong commitment to sustainability and our rigorous emergency preparedness program, which included regular training and drills. By prioritizing the safety of our employees and

ensuring that they are well-prepared to handle emergencies, the company was able to operate sustainably and responsibly, minimizing risks and maximizing our positive impact on the environment and society.

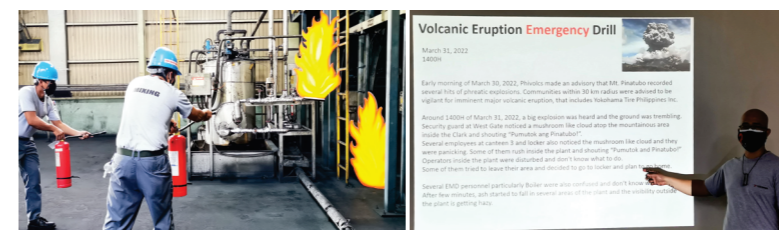
Work Incident
Summary for 2022

ZERO MAJOR ACCIDENT

Emergency Drills
Conducted in 2022

12 monthly fire prevention drill

5 other emergency drills



Other drills are Volcanic Eruption Tabletop Drill, Civil Disturbance Training and Drill, Typhoon Emergency Drill, Explosion and Threat to Explosion Tabletop Drill, Radiation Leak Emergency Drill

YTPI Takes the Lead in Continual Improvement and Upgrade of Fire Protection Management

YTPI has taken steps to enhance its fire-fighting capabilities by incorporating Aqueous Film Forming Foam (AFFF) fire extinguishers into its equipment, specifically in vital areas like the Raw Materials and Tire Warehouses. To ensure their proper use, the supplier conducted product demonstrations and simulations, focusing on the proper utilization of AFFF Fire Extinguishers for suppressing fuel and rubber fires. At YTPI, we prioritize the use of appropriate fire-fighting equipment, comprehensive employee training, and the implementation of other crucial fire safety measures.



SOP Audt with Top Management

YTPI Management is hands-on in ensuring that safety culture and safety standards are practiced in all operations of the company. Members of the Top Management led by the President/CEO tirelessly conducts face to face SOP audit in all processes regularly.



Health & Wellness:

Commitment to Employees' Health and Wellness

YTPI strongly advocates employees' health and wellness. The company believes that investing in various health programs and prioritizing wellness create a healthier and happier workforce who are more engaged and productive.

Health and wellness equips employees to meet the demands of a fast-paced workplace like YTPI, it reduces health-care cost and improves employee retention.

By creating a safe and healthy workplace, YTPI demonstrates its commitment to promote work-life balance, and foster a culture of trust and respect.

In 2022, the company offered a variety of occupational safety and health programs to promote wellness. In line with the health initiatives, various awareness education were conducted such as lectures in HIV Awareness, Flu Awareness and Blood Lead where significant number of target attendees participated.

Health and Wellness

Health checks and examination were also conducted such as Audiometry, Eye Examination (Visual Acuity), Drug Testing and Annual Medical exam.

On top of the health insurance privileges, all employees and their family members were also given Anti-Flu Vaccination to protect them from common colds & respiratory viruses. Women were provided with Anti-cervical Cancer Vaccine as

part of the company's program on reproductive health. Free maintenance medicines for hypertension and diabetes are also available on top of the medicine allowance benefits.

All these and more other continuing health and safety programs are part of YTPI's contribution to the UN Sustainable Development Goals on Good Health and Well-Being.

Lectures	Date	Target Attendees	Actual Attendees
HIV / AIDS Awareness Lecture	May 19, 2022	20 employees	34 employees
Flu Awareness Virtual Lecture	May 27, 2022	10 employees	13 employees
Blood Lead Lecture	December 6, 2022	5 employees	5 employees

Examinations / Testings	Date	Target	Actual
Audiometry	October 29, 2022	270 employees	179 employees
Eye Examination for Inspectors	February-March 2022	490 employees	490 employees
Drug Testing	September 7, 2022	2,540 employees	2,362 employees
Annual Medical Examination	October 25-28, 2022	100% Attendance Based	2,658 employees 100 security 18 drivers



Flu Vaccination	Date	Vaccinated
Employees	June-August 2022	941
Dependents	June-August 2022	193

Approaches against Diabetes and Hypertension

Diabetes and hypertension are the two most common chronic conditions that often coexist among YTPI employees. Elevated sugar levels and high blood pressure can increase the risk of serious health complications such

as heart disease and stroke. To help employees manage both conditions, various initiatives were implemented by YTPI in 2022 to campaign for a healthier lifestyle.

YTPI Onsit Fitness Gym

In today's fast-paced work environment, YTPI prioritizes employees' health and wellness.

This commitment holds true as the company setup an on-site gym with various equipment to improve cardiovascular endurance. The gym is accessible at the workplace where employees can enjoy free gym privileges.

This solution offered numerous benefits for both YTPI and the employees. On top of daily intake of nutritious food, employees are encouraged to exercise regularly to improve productivity and reduce absenteeism. Regular exercise has been shown to improve cognitive function, which can lead to better work performance. It also improves overall physical health, reduces stress levels and increases employees' morale.



The Healthy Plate program is supported by the company's CSR partnership with DepEd's Gulayan sa Paaralan, where vegetable harvests from partner schools were served as "farm to table" daily dose of organic vegetable meals for YTPI employees.



Free Maintenance Medicine

YTPI understands that the Covid health crisis in 2021 brought financial challenges among YTPI employees that taking maintenance medicines and follow-up check-up has become less priority.

Because of this, an increase in cases of diabetes and hypertension was expected in 2022. This prompted YTPI to step-up its measures in the prevention of the disease. On top of the Healthy Plate Program, YTPI provided free maintenance medicines for hypertensive & diabetic employees. The medicines are available at the company's clinic and employees can avail as per prescription of the company doctor. These initiatives were able to significantly bring down the cases of hypertension and diabetes in YTPI in 2022.



YTPI Healthy Plate Program

The Healthy Plate program encourages employees to practice healthy-eating habits by incorporating servings of vegetables into their regular meals while emphasizing its nutritional benefits and importance in strengthening the immune system. Green-eating contributes in weight management, thus reducing the risk of chronic diseases such as diabetes, hypertension and common cancers.

To ensure the success of the program, a nutritionist has been commissioned to work with the canteen operators by providing nutritional counseling and creating healthier meal plans that are affordable to employees.

Our Quality Policy

YTPI, a manufacturer of pneumatic radial tires, believes in preserving the environment and earth's resources. It aims to accomplish efficient and effective use of materials and resources through the concept of Reducing, Reusing and Recycling as everyone's concern.

(Excerpt from our Quality Policy)

Commitment to our Customers

Our commitment to our Customers is to provide world-class quality tires, which pass the required safety and performance standards. To keep this promise, YTPI implements Quality Management System [QMS] programs designed to assure that our products exceed our Customers' expectations. These programs focus on continuous process improvements while continually adhering to Quality standards and federal regulations.

Internal Audits	Result
No. of Internal Audits	4
Active QMS Internal Auditors	97%

For the year 2022, aside from improving process indices, YTPI incorporated the following Quality Assurance activities to identify and eliminate waste [MUDA], process and product non-conformities, while improving the overall process efficiency.

External Audits	Result
ISO 9001 and IATF 19649	Passed Closed Minor Findings
Iraq COR Audit	Passed
China Compulsory Certificate (CCC)	Passed
Bureau of Philippine Standards (BPS)	Passed
Standar Nasional Indonesia (SNI)	Passed
PNS Audit (PS Inclusion Audit: Alliance)	Passed

Establishment of 3rd Level Tire Inspection

To confirm that the adhered-to principle of Zero Outflow is actually practiced, and to assure that 'ONLY GOOD' tires are delivered to our Customers, the 3rd Level Tire Inspection ['3rd Inspection'] has been established.

This activity aims to confirm that ALL tires loaded in EACH container shipped out of YTPI is 'ONLY GOOD'.



Establishment of the QA Raw Material Inspection process

Certain raw materials require specified laboratory tests to be conducted in-plant as a form of acceptance/receiving inspection.

This is done to assure that the incoming raw materials meet the Yokohama raw material specifications, prior to usage in production.

Inspection of incoming raw materials is also a basic requirement in the Raw Material Supplier Management System indicated in the QMS certification of YTPI. (ISO9001/IATF16949).



QYT ['Quality Yochi Training'] Competition

Patterned after the KYT ['Kiken Yochi Training' – Safety Danger or Risk Prediction Training] for Safety, the QYT has been established so that each Team Member is able to, not only identify the Quality Risks in their daily activities, but also the recommend the appropriate actions so Quality issues are prevented.

It is a form of Awareness Campaign, so each process can share their own Quality Risks, with the expectation that horizontal deployment of the same or similar activity to prevent the Quality Risk is implemented.

The QYT Competition is held every Quality Month with the aim of showcasing the best QYT materials among all processes, and to recognize the particular Team/s with the most 'easy-to-understand' and 'applicable' QYT information indicated in the QYT sheets.



YTPI was also awarded the "Hazama Award" for the YRC QYT Activity Contest.

Product Responsibility Programs

Process Quality Assurance Audit (PQAA)

The purpose of the PQAA is to verify and monitor the status of the process-planned activities with respect to compliance and achievement of the targets indicated the annual Quality Policy.

This is also the venue to validate improvement activities introduced by each process, as part of their continual improvement targets.



Quality Day (Q-Day) Activities – Error and Mistake Proofing [EMP] Process Checks

The basic objective of this activity is to verify the indicated process EMP methods, as well as to confirm the functionality of the EMP's to detect or prevent outflow of non-conforming products.

It's also the venue to identify the areas for continual improvement of the listed EMP systems.



Quality Award

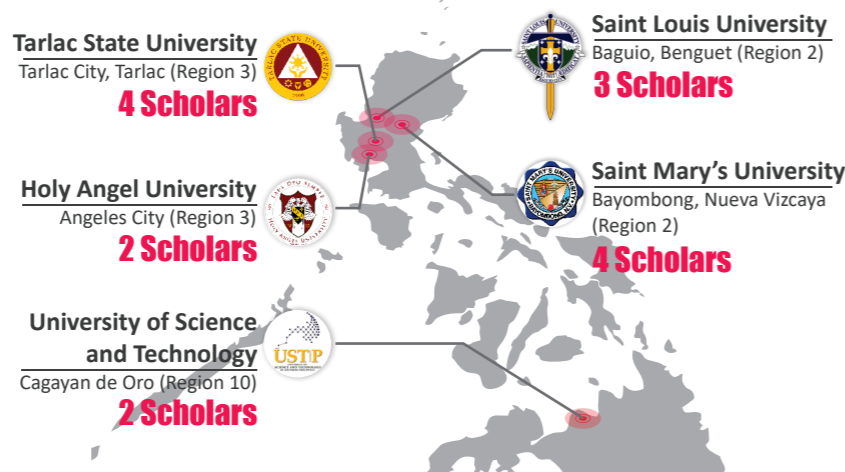


Subaru of Indiana Automotive [SIA] awarded this recognition to Yokohama Tire Corporation [USA] in behalf of Yokohama Tire Philippines, Inc.



Investing in Education for a Sustainable Future: YTPI's Scholarship and Training Programs

In 2022, YTPI's Scholarship Program continued to sponsor 12 scholars from 5 different universities across the Philippines, demonstrating the company's commitment to providing equitable access to quality education. This program aims to create meaningful change for its beneficiaries through free college education.



Through a Memorandum of Agreement with the five partner universities, YTPI covers 100% of the tuition and miscellaneous fees of all scholars, in addition to providing book and monthly allowances each semester. The program also offers on-the-job training at YTPI, allowing scholars to gain valuable experience and knowledge in the company's workflow and culture.

This initiative provides students with hands-on exposure to the workplace and job instructions, enabling them to develop essential skills for their future careers.



Moreover, in 2022, YTPI re-established its on-the-job training program for its YTPI Scholars and expanded its capacity to accommodate more students from different universities and colleges.

Testimonials from OJT Scholars:



Lalaine de Guzman Sablan, YTPI Scholar and Intern from Holy Angel University taking up Bachelor of Science in Electrical Engineering (BSEE). My stay in YTPI opened a portal to new learnings for me and my OJT batch mates. From the methodologies of electrical engineering being applied in the day-to-day tasks of the employees, to the familiarization with different equipment and software programs utilized by the company, and the importance of discipline and having linear respect to everyone made my experience nothing short of extra-ordinary.



Peter Meynard Ventura, and **Harris John Rick Peralta** who are both YTPI scholar and intern from Saint Mary's University in Nueva Vizcaya taking up Bachelor of Science in Electrical Engineer (BSEE). We are really excited with each training day because we're learning a lot of things at YTPI." It's easy to get along with everyone here. They are like our extended family and they treat us with respect and teach us with patience.

YTPI's Three-Pronged CSR Program: Cultivating Sustainable Communities

YTPI's 3-way Corporate Social Responsibility (CSR) program, "Gulay ay Buhay sa YTPI," is a fundamental aspect of our sustainability efforts. We partner with two new schools each year, aiming to uplift neighboring communities, promote sustainable and conscious living, and prioritize carbon offsetting through all possible means. Through public-school collaborations, we provide communities with access to fresh, locally grown produce while also reducing our carbon footprint, increasing biodiversity, and strengthening the resilience of our local ecosystems.

Our unwavering commitment to carbon offsetting highlights our determination to mitigate the impacts of climate change, even through the smallest of actions.

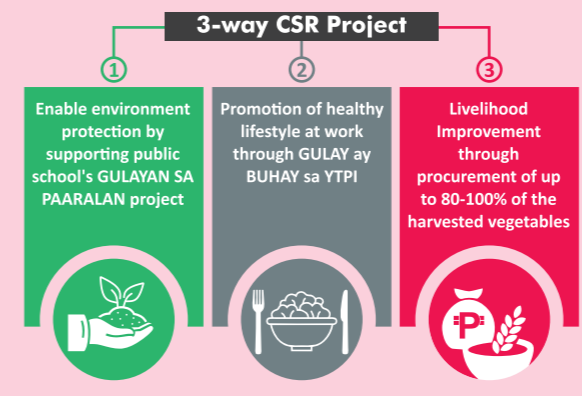


Vegetable seedlings and gardening supplies and tools donated to partner schools (c/o Patrick)

Furthermore, our CSR program provides our employees with nutrient-rich meals that promote their health and well-being while simultaneously reducing food waste and cultivating a sustainable food culture. This program remains a crucial component of our corporate sustainability strategy, and we will continue our efforts to expand our support for local communities and the planet.



Vegetables harvested from partner schools during the Gulayan sa Paaralan that were bought by YTPI canteens and included in their daily menu. (c/o Patrick)



In accordance with the DepEd Memorandum No. 223, series of 2016, the Department of Education (DepEd), through the Bureau of Learner Support Services-School Health Division (BLSS-SHD), has strengthened the implementation of the Gulayan sa Paaralan Program in all public elementary and secondary schools nationwide, with each school receiving a significant amount of seedlings, fertilizers, and gardening supplies as outlined in the signed MOA with Yokohama Tire Philippines, Inc.

Veggie Garden Tour

Yokohama Tire Philippines, Inc. (YTPI) officials led by Tetsuya Nagao, president and CEO, Kazutoshi Morimoto, executive vice-president for Administration Division and Angelina C. Casasola, vice-president for Corporate Social Responsibility (CSR) and Business Operations, Joanne M. Pangilinan, section manager, Public Relations and General Services, tour various vegetable garden sites in Mauaque High School (MHS) on Wednesday, February 23, 2022 in Mabalacat City.

Cash crops and low maintenance vegetables such pechay (native cabbage), mustasa (mustard leaves), calamansi, papaya, bitter melon, bottle gourd, are grown in vegetable gardens, some of which are among others. This is prior to the signing of the MOA between YTPI and MHS on the adoption of vegetable gardens.



Signing of Memorandum of Agreement between Yokohama Tire Philippines and Mauaque Elementary School on Gulayan sa Paaralan

Giving Back to the Community:

YTPI's Disaster Response and Donation Drives

Yokohama Tire Philippines, Inc. acknowledges that the Philippines' location makes it susceptible to recurring natural disasters like tropical cyclones and tremors, resulting in substantial damage to property and loss of human life. The company

recognizes the importance of supporting affected communities and has actively participated in several donations drives throughout 2022, providing significant aid to relief efforts.



Yokohama Tire Philippines donated 100 sacks of rice to Calumpit, Bulacan on December 1, 2022, to aid over 300 families affected by tropical storm Paeng, with a commitment to continuing support for communities impacted by natural disasters.

Yokohama Tire Philippines, Inc. donated 50 sacks of rice worth Php50,000 to the province of Abra, Philippines, in response to the Clark Investors & Locators Association's (CILA) call for donations to aid in the recovery of earthquake-stricken victims in Barangay Labaan, San Quintin, Abra, delivered to CILA's office on August 9, 2022.

YTPI supports Brigada Eskwela 2022

Yokohama Tire Philippines, Inc. supported Brigada Eskwela 2022 by donating facemasks, hygiene kits, and vitamins to two high schools in Mabalacat City and Malaya, Bataan, as well as to Grade 6 students from San Joaquin Elementary School.



YTPI's Environmental Conservation Initiatives for 2022

In 2022, YTPI demonstrated its commitment to environmental conservation by participating in several sustainability initiatives. We collaborated with various organizations, including Mabalacat City Environment and Natural Resources Office, Clark Development Corporation, and DepEd, to conduct tree planting activities and donate seedlings to promote biodiversity and environmental awareness.

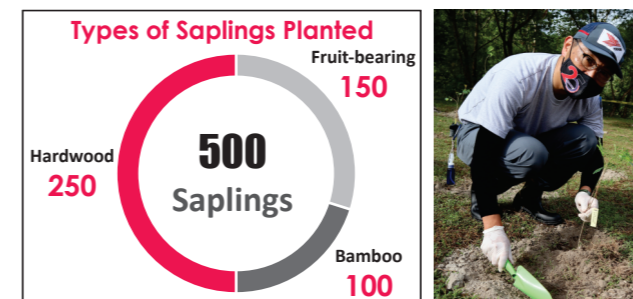


Tree Plantings and Donations

Forever Forest Expansion 6

At YTPI, we're committed to environmental conservation. Our 6th Forever Forest Expansion Project in collaboration with Abacan River and Watershed-Advocacy Council Inc. and Angeles City Environment and Natural Resources Office was conducted in 2022 on Sitio Saw Mill Sapang Bato, Angeles City. We planted 500 different varieties of trees and bamboo to promote watershed protection and provide livelihood opportunities for Indigenous Peoples.

Monthly progress checks ensure survival of the seedlings and previous Forever Forest areas.



Arbor Day

YTPI is committed to promoting sustainability through active participation in environmental initiatives. We collaborated with Mabalacat City Environment and Natural Resources Office (CENRO), City Agriculture Office, Mayor and City Council Office, Clark Development Corporation, and other industries inside Clark Freeport for a tree planting activity on Arbor Day.

On July 8, 2022, the tree planting was held at Don Bosco Academy Compound in Mabiga, Mabalacat City. The company donated 100 seedlings and provided 10 volunteers for the event.



Seedlings Donation

On May 20, 2022, YTPI donated 100 forest tree seedlings to Mawaque National High School, in collaboration with DepEd to promote ETULay, a free online tutorial platform designed to impart quality education and instill values to the Filipino youth. As part of our support towards raising awareness on environmental preservation and protection, we also provided valuable insights to the students on the significance of environmental conservation.

Through this initiative, we hope to inspire and encourage the younger generation to take an active role in safeguarding our environment and contribute to a sustainable future.



Environment Month (June)

On June 10, 2022, YTPI demonstrated its commitment to sustainability by conducting a tree planting activity. The primary objectives were to mitigate global warming, enhance biodiversity, and encourage employee engagement. We planted 30 carefully selected fruit-bearing seedlings to contribute to the local ecosystem. The activity was well-participated by our employees and represents a significant milestone in achieving our sustainability goals.



BOARD OF DIRECTORS

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

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



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Administration Division

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Plant Operations Division

Mr. Juanito Arona
Vice President
Plant Operations Division

Mr. Yoshimasa Konishi
Vice President
Investment & Asset Management

2023 TARGETS

Quality

Quality as the foundation of YTPPI-made tires.

Customer claims: **ZERO**

Quality risk **reduction**

Achieve Monthly order target

Cost

Do more with Less. Cut out on surplus

100%

Sales/Shipping target achievement

Safety

Safety Excellence thru well embedded Safety Culture

Major & Minor incident
Light incident
Fire incident

0

Environment

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

Environmental claims: **ZERO**

Landfill disposal: **less than 1%**

Energy consumption **reduction**

Human

Empowerment of Human Capital focused on Organizational Development

Operator's **Morale Up**

Upgrade
Supervisor's Education

Awards and Recognitions



Yokohama Rubber Co., Ltd.
Tire Production System Excellence Award



Bureau of Customs
Top 2 Exporter Award
Top 2 in Sales Revenue Award



Clark Development Corp.
Excellence in Environmental Compliance
Top Investor for 2022



Toyota Motors Phils.
Superior Delivery Performance Award

