

## CSR Report of YOKOHAMA HAMATITE (HANGZHOU) CO., LTD. (YHHC) and YOKOHAMA HOSES & COUPLING (HANGZHOU) CO., LTD. (YHCC)

**Business activities:** YHHC: Production and sales of sealants for passenger cars  
**Total site area:** YHCC: Production and sales of hydraulic hoses for construction machinery  
**Number of employees:** 10,002m<sup>2</sup> (YHHC/YHCC 1st Plant)  
**Location:** YHHC: 26 persons (as of December 31, 2013)  
 YHCC: 84 persons (as of December 31, 2013)  
 YHHC / YHCC : 1st Plant: 310018 No. 12, No. 18 Main Street, Hangzhou  
 Economic Development Area, China

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## President's Message



Tomoji Saito

Although domestic production and sales for YHHC and YHCC grew steadily after the establishment of both companies in 2004, in a reflection of the state of China's domestic economy, the business of both entities peaked in FY2011. Since then, growth has been difficult for both the construction-machinery and passenger-car markets. With respect to high-pressure hoses in particular, the depressed state of the market has continued until the present. Concerning the environmental management practices of both companies in acting as manufacturing entities, a policy of complete

zero emissions was continued in FY2013. Furthermore, both companies achieved their improvement objectives with respect to industrial waste, and also their objectives with regard to the improvement of the work

environment.

Furthermore, as regional contributions undertaken on the environment front in FY2013, there was participation in planting activities along with public afforestation organizations at Shangyu Duobao Sihou Mountain in May. We also undertook planting activities in the vicinity of Shangyu Beigai Mountain Guangxiao Temple in October. These events proved very successful because not only our own employees but also many people from regional administrations and regional companies, etc., participated. To further raise the environmental awareness of each individual employee, both companies are pursuing a policy of true zero emissions. This is being done at monthly environmental meetings by thorough energy savings and by following up on industrial waste reduction activities. Through such means, under the established "Grand Design 100 (GD100) Environmental Policy" that aims for Yokohama Rubber to be "a top level contributor in terms of the environment", both YHHC and YHCC have been carrying out consistent activities here in China.



## Organizational Governance

### Restructuring organizational governance by enhancing the management cadre

In accordance with the philosophy, "organizational governance commences with management," we are enhancing the management cadre comprised of department general managers and more senior

staff. We are also revising decision-making processes, pursuing the transformation of various issues into workable formats, and promoting information-exchange improvements between various subordinate structures.



## Human Rights

### Manufacturing responsiveness through labor-management cooperation

Concerning the high-pressure hoses that represent YHCC's main product category, because their main application is within construction machinery, their sales volumes are strongly tied to trends in construction machinery

sales. This is a category that can swing significantly. Accordingly, the value of high-pressure hose sales recorded in the busy months of 2013 was three times that of the slack months. However, through mutual understanding that was shared with the union and employees, we could overcome such issues by utilizing overtime and work on public holidays.



## Labor Practices

### Creating Safe workplace environments

With respect to creating safe workplace environments, through "improvement suggestions" and identifying "near misses" which were activity themes for small-group activities within each workplace, in FY2013

both YHCC and YHHC achieved the objective of no accidents at all by having their employees being able to implement thoughts about their own work.



## The Environment

### Results of FY2013 environmental management practices

Both YHCC and YHHC continued a policy of complete zero emissions in FY2013, with our industrial waste objectives being achieved throughout the year. Furthermore, concerning environmental measurements taken at the plant, the regulatory values for noise, water quality and emissions

were all cleared by a large margin. Additionally, improvements were made to the location within the plant where industrial waste is kept; we also initiated an environmental response for times of emergency (so as to prevent effluent leaking).

## Environmental data

### YOKOHAMA HAMATITE (HANGZHOU) CO., LTD. (YHHC)

Category		FY2009	FY2010	FY2011	FY2012	FY2013
Waste emissions (t)		40	56	49	35	37
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	55.1	57.8	57.4	46.1	51.1
	Fuel	0.2	1.7	6.0	6.0	6.0
	Total	55.3	59.5	63.4	52.1	57.1
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		0.12	0.13	0.14	0.12	0.13
Water usage (1,000m <sup>3</sup> )		1.1	1.5	1.9	1.6	1.6

\* FY: January to December

\* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan.

### YOKOHAMA HOSES & COUPLING (HANGZHOU) CO., LTD. (YHCC)

Category		FY2009	FY2010	FY2011	FY2012	FY2013
Waste emissions (t)		30	67	36	7	7
Proportion sent to landfill (%)		0.0	0.0	0.0	0.0	0.0
Energy use (oil equivalent: kl)	Electric power	43	81	92	81	92
	Fuel	4	4	7	8	2
	Total	47	86	99	89	94
Greenhouse gas emissions (1,000t-CO <sub>2</sub> )		0.107	0.193	0.22	0.20	0.21
Water usage (1,000m <sup>3</sup> )		1.0	1.7	2.0	1.5	2.2

\* FY: January to December

\* Greenhouse gas emissions were calculated based on the Calculation and Reporting Manual for Greenhouse Gas Emissions jointly published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, Japan.

## Fair Operating Practices

### Improving fiscal governance

By pursuing compliance with Chinese laws, and under the instruction of the Internal Audit Department of Yokohama Rubber, the parties involved in fiscal matters conducted a thorough improvement of governance.

## Consumer Issues

### High quality service to customers and quality improvement activities

Through establishing "zero serious quality problems for customers" as an objective, as a result of employees themselves revising their own work practices and managers regularly conducting work analyses and

audits, we achieved a sharp decrease in the volume of quality problems experienced by customers. This outcome resulted in us receiving a quality supplier of the year award from our largest customer (an award given to one company only).

## Community Involvement and Development

### Participation in regional activities within local societies

To contribute to local societies, in addition to establishing donation boxes within the companies, we collect clothing that is no longer required from employees and donate it regularly to worthy facilities. Furthermore, concerning participation in activities that are undertaken in different regions and participation in planting activities, we call for volunteers from among our employees.



YOKOHAMA Forever Forest Project and regional activities