

# CSR Report of LLC Yokohama R.P.Z.

**Business activities:** Production of tires for passenger cars  
**Total site area:** 29ha  
**Number of employees:** 566 (as of June 30, 2014)  
**Location:** YOKOHAMA Plant, SEZ "Lipetsk", Kazinka Village, Gryazi District, Lipetsk Region, Russia, 399071

**Contact for consultation and complaints:**

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## President's Message



Shigeru Nakano

The company L.L.C. YOKOHAMA R.P.Z. started production in 2012 in Lipetsk region located 450km to the south from the capital of Russia, Moscow city.

We proceed with business activities having as goal the following :

- creating "clean and high-quality plant" to make customers feel secure and buy our product ;

- creating "attractive company" where employees can be proud to work.

Only around 2 years passed after start of production, we specified priorities as Safety

(S) first, than Environment (E), Quality (Q), Delivery (production) (D), Cost (C), and together with improvement of the site we are continuously implementing system development and improvements, moving towards

acquisition of Quality Management System TS16949 certificate in 2014.

We also started preparations for acquisition of Environment Management System ISO14001 certificate.

"As part of ""Forever Forest Project"" , an environmental activity of Yokohama Rubber Group, our company also invited families of employees, guests from local authorities, guests from surrounding companies and implemented the 1st Forever Forest Festival in October, 2013. From now on we are planning to do it every year."

"In addition to Forever Forest activities, under the auspices of Industrial Enterprise Association of Lipetsk region we have taken part in study meeting for enterprises about safety as well as environment and deepened exchanges with local community.

We will proceed with business activities aiming to become a company, trusted by customers, by employees, by local community."



## Organizational Governance

As result of internal organizational changes in 2013, on base of members of project team for plant construction a "legal, compliance and internal control" section was established under the direct control of vice-president. We assigned a lawyer to position of section manager, who is responsible

for following up complicated russian law and its frequent amendments. Concerning cases which are difficult to solve within the company, we are using external consultants and we are aiming fair and responsible decision making and actions.



## Human Rights

### Employment in accordance with Russian legal regulations

We have assigned many female managers. In case of conception and birth of a child we are acting according to the law.

Concerning taking a paid 28-day vacation, specified by law, we are advancing and controlling it.

Concerning taking paid leave in case of blood donation, we are acting according to the law.

Concerning employment of disabled persons, we are planning to start the employment from 2014.



## Labor Practices

### Improving worksite safety

We are proceeding with advancing of safety measures based on risk assessment of equipment, with horizontal development of improvement cases from other business sites of Yokohama Rubber Group, with improvements concerning measures for safety of equipment.

We are proceeding with One-to-one Training of managers and operators, aiming safe work according to SOP, and are proceeding with activities like Safety Worker Evaluation etc.

### Improving the workplace environment

In 2013 we implemented measurements of workplace parameters for each workplace according to Russian law. Together with sending the report to the government we started treatment payments based on the result. We are proceeding with improvements for maintaining best workplace air temperature, because outside air temperature peak is in winter around -30 °C and in summer around +35.

### Education and training

With help of external consultant companies we are continuously implementing trainings, such as first aid training, training for managers about how to manage staff, we are holding afterwork English class.

### Labor and Management Councils

Employees have chosen their representatives and we are holding regular labor-management committee meetings.

We are continuing improvements aiming to become attractive company, where one can easily work, by discussing one by one each improvement request from employees.



## The Environment

On October 12 2013, we held a Forever Forest Festival similar to Japan's Forever Forest Project. At this event 1,656 trees were planted. In April 2014, we added an additional 2,122 trees in our second plantings. We plan to plant 4,400 trees annually from 2015, reaching a total of 16,000 trees by FY2017.

### Pollution prevention

We are implementing control over emissions to the atmosphere, emission of industrial waste etc. according to Russian law.

### Resource conservation

We are continuously proceeding with increasing recycle rate by reduction of scrap emanated from production and development of companies taking charge of industrial waste.

### Saving energy

We are continuously implementing activities for improvement intensification by improvement of utility defects, by "Energy saving month" in February and by "Environment month" in June.



## Fair Operating Practices

### Preventing misconduct

We are trying to prevent corruption in purchasing activity by establishing detailed internal approval route.

### Business partners

Concerning procurement from new suppliers of raw materials inside of Russia, we are trying to carry out deals as fair as possible by activities in cooperation with purchasing department of Yokohama Rubber Co., Ltd.



## Consumer Issues

### Quality management system

We are continuously implementing system development and improvements, moving towards acquisition of TS16949 certificate in 2014.

### Production of green products

Together with start of manufacturing of BluEarth AE01 we are actively appealing it to our visitors.

### Strengthening communication with customers

We are actively collecting market information about the product with help of the Technical service department of sales company in Russia, L.L.C. "YOKOHAMA RUSSIA".



## Community Involvement and Development

### Strengthening relations with local companies

Through the support of the Lipetsk Chamber of Commerce and Industry we have conducted study meetings on safety and the environment, we have also given guided tours of our plant. Furthermore, we have created a soccer team and are striving to develop close friendships within the local region.



### Internal and external communication

We are aiming active communication with customers through plant tours for guests from distribution offices, with help of sales company in Russia, L.L.C. "YOKOHAMA RUSSIA".

We are aiming active communication with employees by planning company events like "Forever Forest Project"

