

Environmental Management Systems

We will practice global environmental management by adopting consistent, high-level environmental management practices at all operations worldwide.

Promotion of Global Environmental Management

We will practice global environmental management focusing on the following areas.

Organization of first global environmental conference

In December 2007, the CEOs of all the Yokohama Rubber Group's overseas production operations met for the first global environmental conference, where the

president of Yokohama Rubber spoke about the importance of implement consistent environmental management practices and concrete plans for future activities were deliberated.

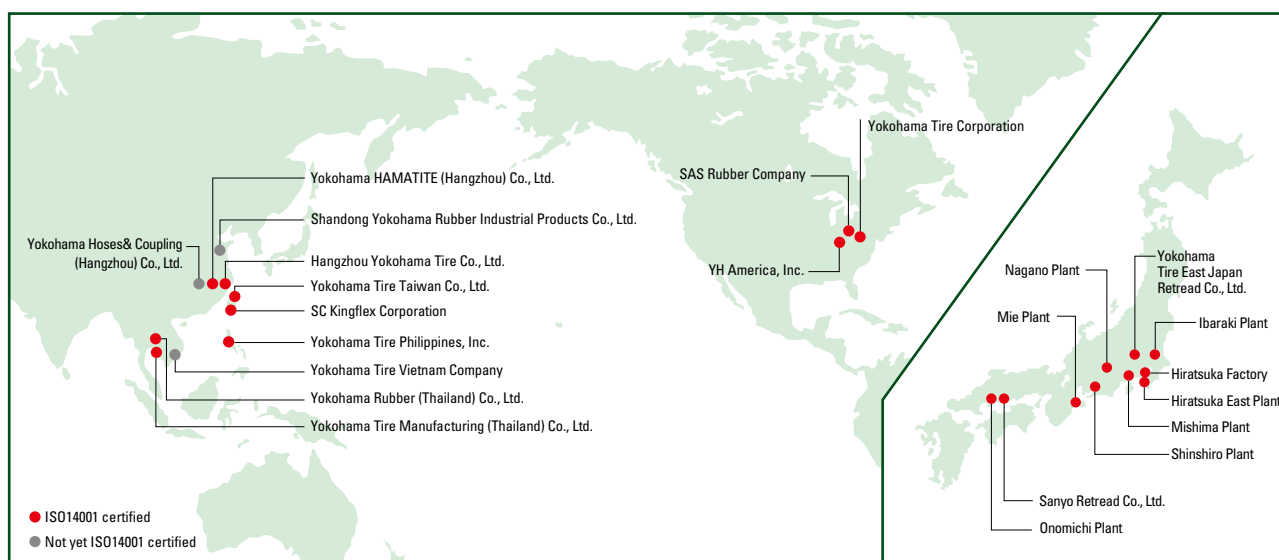
Main resolutions

1. Commencement of zero emission campaign at overseas operations in 2008 and attainment of zero emissions by 2011
2. Publication of environmental reports for each overseas operation (company) by 2011
3. Expansion of YOKOHAMA Forever Forest project to other countries

Adoption of ISO14001 certification as basis of environmental management

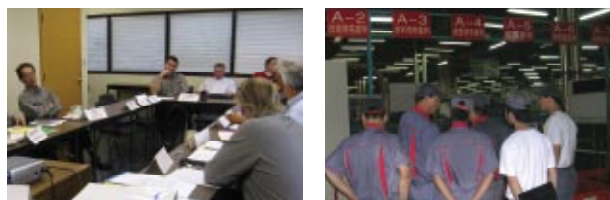
The Yokohama Rubber Group's global environmental management strategy is founded on ISO14001 certification of each of its operations. In FY2007, four operations were newly certified: Yokohama Tire Corporation in April and SAS Rubber Company in December in the U.S., Yokohama Tire Manufacturing

(Thailand) Co., Ltd. in July in Thailand, and Yokohama HAMATITET (Hangzhou) Co., Ltd. in January in China. As a result, 95.2% of employees engaged in production activities in Japan and overseas now practice environmental management in accordance with ISO14001, and steps are in progress to have the remaining production operations certified as well.



Global environmental auditing

In order to ensure the adoption of consistent, high-level environmental management practices at all operations worldwide, the Yokohama Rubber Group has since FY2006 audited GD100 environmental practice and compliance with ISO14001 standards by overseas production operations as well.



Audits in progress at SAS Rubber Company in the U.S. (left) and Hangzhou Yokohama Tire Co., Ltd. (right)

Practice of Environmental Management at Administration and Distribution Operations

Yokohama Rubber's head office operations^{*1} have identified 17 core areas of activity impacting on the environment to tackle in accordance with ISO14001 standards. Since 2007, 32 group distributors in Japan have practiced environmental management in accordance with GD100 guidelines, and each has adopted its own environmental policy. All distributors have also introduced systems for data accumulation and target management of

specific areas of environmental management, and as a result self-assessed environmental management scores calculated in accordance with guidelines rose 18% compared with FY2006. In FY2008, environmental management in accordance with GD100 environmental guidelines will be expanded to include overseas distributors as well.

*1. Yokohama Rubber's headquarters operations and the head office operations of a wholly owned subsidiary engaging in contingent business.

Comprehensive Environmental Auditing

Continuous improvements to environmental management, increases in environmental performance, and minimization of environmental risk are audited by conducting three kinds of audit: company-wide audits, external ISO14001 audits, and internal ISO14001 audits. From FY2007, self-assessed scores calculated in

Company-wide audits

Each year, the CSR & Environmental Affairs Department conducts audits of all operations concerning selected issues for priority auditing. In FY2007, it was confirmed that there had been 109 environmental "near misses"^{*2} in the past three years and that countermeasures remain effective. The results of company-wide audits are reflected in the choice of winner of the Eco Factory Award (see p. 18).

*2. Incidents such as leaks and dispersions of substances within processes that did not develop into environmental accidents beyond the plant, but that might have done so had countermeasures not been taken.

External audits (ISO14001)

All of Yokohama Rubber's plants underwent regular and renewal inspections conducted by the ISO certification body, resulting in all having their accreditation renewed.

accordance with GD100 environmental guidelines by 32 domestic group distributors have been audited by the CSR and Environmental Affairs Department, and the results reflected in the selection of recipients of the Eco Office Award (see p. 18). No infringements of environmental legislation were detected by any audits in FY2007.

Internal audits (ISO14001)

32 days of inspections were conducted at all plants in FY2007 in accordance with the ISO14001 manual. Action on "core areas of activity to improve the environment" is being stepped up through internal audits. With the increase in internal auditing capabilities, so too have increased the number of non-conformities identified as "impacting on the environment" in FY2007.

Number of non-conformities at Hiratsuka Factory

	FY 2006	FY 2007
Opportunities for improvements	39	45
Minor shortcomings (requiring improvement)	7	19

Enhancement of Environmental Training and Awareness raising

In addition to incorporating environmental training into the education provided to new hires, Yokohama Rubber also organizes a "Techno College" to provide environmental training targeted mainly at engineers in their second and third years at the company. In FY2007, 35 employees participated in the program. In order to raise understanding of ISO14001, training is also provided to develop internal auditors, of which there are now 315 internal auditors, including 44 who qualified in FY2007. General environmental training has also been commenced. This is taught via e-learning, and has been completed by 581 employees. Two activities organized to raise environmental awareness are Energy Conservation Month, which is held every February, and Environment Month in June, when the president delivers a message to the entire workforce.

Involvement in Environment Month events

For Environment Month, employees are invited to submit their ideas for environmental slogans and environmental posters. In FY2008 there were 2,664 slogan entries (up by 35% from FY2007) and 117 poster entries (up by 85% from FY2007).



Entry by Masakazu Aoki of the No. 3 Manufacturing Section at the Shinshiro Plant

Raising Employee Awareness through the Eco Award Scheme

In order to foster wider understanding of activities contributing to the environment in the Yokohama Rubber Group as a whole and to encourage further action, companies and divisions that produce outstanding results are awarded the President's Eco Award under the award scheme of that name established in November 2006. This scheme consists of awards in three categories: the "Eco Factory Award" for establishments

and companies involved in manufacturing, the "Environmentally Sound Product Award" for research, development, and technology divisions, and the "Eco Office Award" for establishments and companies involved in non-production distribution and administration activities. At the second awards ceremony held in May 2007, 12 divisions and affiliates received awards out of 25 entries from Japan and abroad.

Award winners at the second environmental awards

Eco Factory Award	Outstanding Performance Award	Mie Plant	Eco Office Award	Outstanding Performance Award	Physical Distribution Subcommittee of the Global Warming Countermeasures Committee
	Award for Effort	Yokohama Tire Corporation		Award for Effort	Kagoshima Yokohama Tire Co., Ltd.
		Yokohama Tire Philippines, Inc. Yokohama Tire Manufacturing (Thailand) Co., Ltd.			Yokohama Rubber MBC Co., Ltd. Yokohama Tire Tohoku Hanbai Co., Ltd.
Environmentally Sound Product Award	Outstanding Performance Award	PC No. 1 Designing Dept./Tire Materials Designing Dept.	Special Eco Award	Acorn Award	Shinshiro Plant
	Award for Effort	Tire Materials Development Dept.			
		Industrial Products Engineering Dept.			

Promoting Mutual Understanding with Local Communities

Yokohama Rubber continues to provide opportunities for hearing the views of local residents and raising understanding of plant activities. In FY2007, 85 people visited our domestic plants, and gave us their insightful

views. Through participation in environmental exhibitions and similar events, we are introducing our environmental activities to a wider audience, and in FY2007, distributors, too, participated in local environmental fairs.

Activities to develop mutual understanding with communities

Dialogue with local residents	Hiratsuka Factory	Opinion meetings (see p. 52)
	Mie Plant	Opinion meetings (see p. 52)
	Mishima Plant	Informal discussion meetings
	Shinshiro Plant	Visits by environmental monitors
	Ibaraki Plant	Tours of plants' environmental facilities and informal discussion meetings
Participation at environmental exhibitions	Hiratsuka Factory	Shonan Hiratsuka Techno Fair
	Onomichi Plant	Hiratsuka City Environment Fair
	Hiratsuka East Plant	Environmental Festival in Onomichi
	Yokohama Tire Shizuoka Hanbai Co., Ltd.	Hiratsuka CO ₂ /CO ₂ Plan
	Head Office	Shizuoka Environment and Forest Fair
		Minato-ku Corporate Environmental Exhibition
		Eco Products 2007



Opinion meeting (Mie Plant)



Shizuoka Environment and Forest Fair (Yokohama Tire Shizuoka Hanbai Co., Ltd.)

Complaints Fall by 10 in FY2007

As a result of measures to reduce incidence through both rigorous routine management and measures to identify the root causes of complaints, there were 10 fewer complaints in FY2007 than in FY2006. Action is also being taken to encourage the horizontal expansion of 1) company-wide audits to prevent recurrences of past cases and 2) prevention through visualization of environmental near misses in order to prevent environmental accidents.

Trend in number of complaints

