

# Building a Trusted Identity as a Contributing Member of the Global Community



## CSR is as important as ever despite the severe business climate

Precipitated by the collapse of financial institutions in the United States, the state of the world economy deteriorated rapidly from last autumn, and conditions remain severe. Normally in such a climate, a company would narrow its focus to pursue just profits, but that is not how we see things.

The “Green New Deal” unveiled by President Obama of the U.S., for example, aims to achieve a balance between the environment and employment, and Japan is similarly seeking to achieve economic recovery and job creation by promoting automobiles and consumer electronic products with outstanding environmental credentials. That these measures are accepted by society is testament that people are not pursuing simply economic efficiency. The challenges that face the world today, such as climate change and other environmental problems, the biodiversity crisis, surging

demographic growth, poverty and the widening gap between rich and poor, and resource depletion, can only be solved through ongoing cooperative action by everyone on this earth.

Enterprises that do business globally must meet the high expectations and demands of the global community. Thus even when the economy is in the throes of a “once in a century crisis,” they must take the longer perspective and not turn away from meeting these challenges.

## Strengthening management to increase social reliability (CSR)

The Yokohama Rubber Group is a global business with 16,772 employees engaged in operations in Japan, North America, Oceania, Europe, Asia, the Middle East, and Latin America, and sales outside Japan make up 44% of the Group’s total sales. The “Grand Design 100” (GD100) medium-range management plan launched in April 2006 sets as an objective becoming a

"global company with a distinctive global identity and strong market presence" with net sales of one trillion yen in the company's centenary year in 2017. Globalization will therefore continue to be pursued.

The Yokohama Rubber Group believes that meeting and exceeding the expectations and demands of the global community is the only way for a global enterprise to earn social reliability. When GD100 was launched three years ago, stress was consequently placed on CSR by adopting the "assertion of world-class strengths in technologies for protecting the environment" and "fostering a customer-oriented corporate culture that honors rigorous standards of corporate ethics" as two basic policies. Management was strengthened by the establishment in June 2008 of the CSR Division, and qualitative improvements in both management and operations are now being pursued following the adoption of "quality growth" as a theme of the mid-range GD100 Phase II management plan launched this April for the three-year period from the fiscal year ended March 31, 2010 to the fiscal year ended March 31, 2012.

Regarding management in particular, we have further enhanced action on "people and society" and the "environment," and have declared building a "trusted identity as a contributing member of the global community" as our management CSR vision both within and beyond the company.

#### **Strengthening the social concerns of our business activities**

"People and society" are our central concern. We have long provided arrangements such as childcare and nursing care leave to help our employees balance their work and private lives and support diverse ways of working, and in 2008 we established a system of leave to make it easier for employees to take part in volunteer activities.

It is also important to develop safe working environments, and all our production operations, both in Japan and overseas, are working to make their facilities intrinsically safe and train safety conscious workers who are capable of detecting hazards. As part of this strategy, they are also pursuing certification of their occupational health and safety management systems.

Since November 2007, the YOKOHAMA Forever Forest Project has been underway to plant some 500,000 trees at Yokohama Rubber Group production plants around the world, and by June of this year trees had been planted at seven plants in Japan and four overseas, and activities to create woodland with employees, their families, and local communities in order to contribute to communities, help combat global warming, and protect biodiversity are now taking root.

#### **Qualitative improvement of environmental management**

As a manufacturer whose mission is to make things, reducing the environmental impact at every stage of the product lifecycle, from the procurement of raw materials through to the production and

use of products and their disposal, is our top priority. In today's automobile society, creating more fuel efficient tires can make a major contribution to reducing CO<sub>2</sub> emissions on a global scale. Yokohama Rubber launched its DNA series of fuel efficient passenger car tires in 1998 and continues to develop higher performance fuel-efficient tires, adopting the explicit target of making all its products environmentally sound by FY2017. In FY2008, the proportion of environmentally sound products was 75% across our entire lineup range and 100% in the case of new products. Environmentally friendly manufacturing is also an important priority. Emissions of greenhouse gases in FY2008 were 13.4% lower than in the base year (1990), and we have cleared the emissions reduction targets set for Japan under the Kyoto Protocol for three consecutive years. We continue to endeavor to practice uniformly high-level environmental management at all our operations worldwide, and a Global Environmental Council bringing together the presidents (environmental management officers) of operations around the world was set up three years ago.

#### **"Feeling good" and "accessibility" are our watchwords**

I believe that "feeling good" is what drives people and that doing something good for people and society makes a person feel good. In February 2006, Yokohama Rubber commenced a company-wide campaign called the Muda-dori ("waste reduction") Campaign. The purpose of this was initially to reduce expenditures. As the campaign continued, however, it evolved into one that contributed to the environment through, for example, the avoidance of wasteful use of resources and electricity. The pleasure derived from being able to make one's own small contribution to society—in other words, the "feel good" factor felt by employees—is, I believe, what has sustained the campaign's longevity.

Another important element is "accessibility." Corporate Social Responsibility, or CSR, is a term that is hard to get to grips with for many employees. Since last year, therefore, I have called on people to think of the "R" in CSR as standing for "reliability" rather than "responsibility." Fulfilling one's responsibilities sounds very serious. Becoming a reliable company that is trusted by society, however, is something that one can tackle in a more relaxed fashion.

We will continue to seek to practice better CSR exercising imagination and ingenuity to make CSR a natural part of every employee's work. And we hope that you, our stakeholders, will not hesitate to offer us the benefit of your own and observations to provide us with the feedback to discover new challenges and improve our CSR practice.



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