Third-party Opinion on the 2009 Yokohama Rubber CSR Report (printed and online editions)



IIHOE International Institute for Human, Organization and the Earth CEO Hideto Kawakita

IIHOE:

The International Institute for Human, Organization and the Earth is a non-profit organization established in 1994 to promote "democratic and harmonious development for all life on earth." Although it mainly provides management support for citizens' groups and welfare workers, it is also heavily involved in providing CSR support to leading enterprises.

http://blog.canpan.info/iihoe/ (Japanese language only) This opinion was written based on the content of this report, related online content (http://www.yrc-pressroom.jp/csr), and interviews with Yokohama Rubber staff involved in environmental affairs, purchasing, quality assurance, product planning, human resources, public relations, and CSR. The Company may be regarded as beginning to pursue a PDCA cycle approach to CSR focusing on reducing environmental impact.

Areas in which we recognize the progress being made by the Company but conclude that further effort is required:

- Regarding the reduction of environmental impact, we applaud the Company for being an industry leader in developing and marketing tires that offer greater environmental performance and conserving energy and resources in production and physical distribution by such means as pursuing modal shift and improved transportation efficiency, but we are concerned that waste emission targets have not been met by half of the Company's core establishments in Japan and greenhouse gas emission targets (based on specific energy consumption) have not been met by hardly any core establishments. Looking ahead, we strongly hope that the Company will disclose concrete information on the reasons and pursue rigorous pursue visualization of challenges and solutions, such as non-fixed energy use adaptable to output fluctuations (adopting a "just-in-time" approach to energy), and the sharing of systems between divisions and with overseas operations as well (p. 19-23).
- Regarding the encouragement of action by suppliers and other business partners, we commend the Company for its amendment of umbrella agreements to include clauses concerning, for example, environmental friendliness, and strongly hope that it will visualize practice by business partners in Japan and overseas and accelerate the adoption of mechanisms to promote voluntary action (p. 18).
- We commend the Company for its action to maintain and improve ease of remaining in employment, as demonstrated by its management of total working hours and state of use of paid leave, and strongly hope that it will quickly establish and disclose a strategy to enhance its mid-range human resource portfolio as a global company. Such a strategy should cover elements such as the development of the next generation of management-level human resources at overseas operations and head office (p. 27).
- Regarding voluntary disaster preparedness and partnership with communities, we commend the Company for its active cooperation and collaboration in disaster drills at Hiratsuka Factory and other core operations, and hope that it will pursue similar efforts at the core operations of group companies in Japan and overseas.
- Regarding activities to contribute to society, we applaud the Company's active engagement in tree-planting and forestation activities mindful of local ecosystems, and hope that it will encourage group companies in Japan and overseas to also take part and that its know-how that has developed will be publicized to and shared with other companies (p. 28-29).
- We commend the Company for its disclosure of the distribution of economic value to its principal stakeholders, including business partners, employees, and shareholders, and hope that key points such as changes from the current fiscal year will be disclosed in future fiscal years (p. 6).

Areas in which further effort is required

 Regarding a wide range of CSR themes, extending from impact on the environment to human rights, we hope that the Company will not only express policy top down, but also move from a "report sharing" approach to a "problem solving" approach to CSR in order to encourage the formulation of clear, concrete targets and measures from the bottom up (p. 32).

On the third-party opinion

In June 2008, Yokohama Rubber stated that its CSR management vision is "to build a trusted identity as a contributing member of the global community" and is practicing CSR accordingly.

To assure Yokohama Rubber's unwavering commitment to CSR, I believe that it is important to accept the assessment and observations of all our stakeholders. From this year, therefore, we are seeking the third-party opinion of Hideto Kawakita, representative of the International Institute for Human, Organization and the Earth (IIHOE).

As Chief CSR Officer, I took part in the dialogue between Mr. Kawakita and our business divisions and was involved in discussing the production of this report in order to ensure that his views and observations were understood and swiftly acted upon, and I am convinced that this exchange of views will serve to drive forward our CSR activities.

Of the issues identified, global expansion of all aspects of CSR management is a key issue that must be addressed if we are to become a contributing member of the global community, and we will be taking swift action to achieve this. Regarding also the transitioning the promotion of CSR to a "problem solving" based structure, we will further step up our activities to make this a reality.

Regarding other matters, we sincerely accept the various observations made by Mr. Kawakita, and will pursue improvements with the aim of becoming a business whose stakeholders can depend upon.

Tatsunari Kojima

Director and Senior Managing Corporate Officer, General Manager of CSR Division