

CSR Report of YH AMERICA, INC.

Business activities:	Production and sale of hose assemblies for auto air-conditioners, power steering units and oil and water coolers, brake lines, hydraulics, and other fluid conveying products
Total site area:	YH America, Inc. (Versailles plant) 100,000 m ² YH America South Carolina LLC (Easley plant) 78,510 m ²
Number of employees:	599 (as of December, 2012)
Location:	Versailles plant 105 Kuhlman Drive, Versailles, KY 40383, U.S.A. Easley plant 109 Gillespie Dr., Easley, SC 29640 U.S.A.

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President's Message



Cory Brusman

Since its incorporation in Bluegrass, a world famous breeding ground for thoroughbreds, we set the environmental policy as building up a wonderful environmental society together with people in local communities and aim at being a corporation contributing to the environment and trusted by residents in the region.

Under this environmental policy, we carry out management of the production process and materials used and education and instruction of employees to strive to reduce environmental

impact generated by production activities. Here, we introduce "EARTH," the slogan of our efforts.

Environmental Excellences Achieved and Realized Through Heightened Awareness.



Safe and Healthy Workplace Environment

Efforts for Occupational Safety and Health

YH America places top priority on a safe workplace environment and invites experts from outside for Safety, Health and Wellness Activities and we cope with various support programs so that we can give objective and more effective advice.

Major Contents of Activities

- 1. Physical Therapy** (activities for prevention of injuries by physical therapy)
- 2. Method to Stop Smoking** (stop smoking program by a medical specialist)
- 3. Weight Watchers** (diet promotion activities by a nutritionist)

Education and Training for Employees

Education and training of employees of YH America are provided at several different stages. Education at the time of employment is mainly provided by lecture and employees gain knowledge of safety and health, work rules, welfare, quality and ISO and also the basic items of TS16949. It is composed so that field workers can understand the entire production system picture of products manufactured by YH America and recognize the importance of the workplace to which each worker is assigned. Further, we provide internal and external educational programs throughout the year and improve them so that employees can utilize the acquired knowledge in daily production activities.

Responses in case of disasters

YH America organizes a team responding to emergencies which is called, the "Emergency Response Team (ERT)."

This was organized with the main duty of confirmation of safety of employees, including guiding all employees in case of actual disasters and the time of a fire alarm.

Now the ERT team members received training of first aid, emergency resuscitation methods and responding to blood infection diseases. We also provide training for outflow of chemicals, fire, blackouts and threats of explosion.



Advancement of Environmentally Friendly Management

Environmental Management

We have made efforts to raise awareness of the environment and improve results through the ISO14001 Environmental Management System.

As a result, the reform of employees' awareness has certainly advanced and produced the following results.

- (1) In 2012, at the Versailles Plant, new hose assembly products for automobile air conditioners were launched. At the Sealant Plant and Easley Plant, production volume significantly increased due to favorable sales of automobiles in North America.
The total amount of waste increased from FY2011 due to an increase in production.
- (2) We held environmental meetings every month to urge follow-ups and promotion of the implementation plan and produced results.
- (3) We strengthened the promotion of the recycling program and promoted collection and reuse of steels, aluminum, plastics, wood chips, paper, carton boxes, batteries and printer cartridges, etc.
- (4) We have promoted reinforcement and promotion of use of green products friendly to the environment.
The Easley Plant, which was established in May 2009, acquired ISO14001 certification in January 2013.

Environmental data

Category		FY2008	FY2009	FY2010	FY2011	FY2012
Waste emissions (t)		888	391	477	315	716
Proportion sent to landfill (%)		61.9	58.6	43.0	54.5	54.5
Energy use (oil equivalent: kJ)	Electric power	2,662	2,145	2,647	2,605	3,151
	Fuel	512	896	789	397	499
	Total	3,174	3,041	3,436	3,001	3,649
Greenhouse gas emissions (1,000t-CO ₂)		7	7	8	6	8
Water use (1,000m ³)		24	13	15	13	27

* FY: January to December

* Greenhouse gas emissions in FY2009 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.



Human Rights and Labor Practices

Activities for respecting Human Rights

YH America clearly states that it complies with federal and state laws related to human rights and race, religion, gender, age, nationality and disability shall not affect employment opportunities at the company. This is thoroughly observed not only at the time of employment of a new employee but also in all employment activities of YH America such as promotion, relocation, wages, layoff and dismissal.

Promotion of opportunities for transactions with companies managed by minorities

YH America regularly participates in exhibitions sponsored by related organizations in order to excavate opportunities for transactions with companies managed by minorities (social minority groups, including African and Hispanic).

While opportunities for transactions with companies managed by minorities who are socially underprivileged are limited to the company which handles production materials, we continue activities to look for opportunities for transactions consistently.

Now we have transactions with carriers and repair parts suppliers.



Credibility with our Business Partners

Corruption prevention

YH America established twenty-three items of code of conduct in the Employee Manual.

In the item of conflict of interest, acts conflicting with the interests of interested parties, including YH America and customers are prohibited

during the employment period.

Presenting and receiving gifts with a value of more than US\$25 with companies which are competitors and have business relationships such as customers are completely prohibited.



Relationship with local communities

At the Versailles Plant, employees are organized into 10 teams and through the unique fund raising activities of each team, in 2012, \$8,779.42 was collected and donated to the American Cancer Society's Relay for Life (cancer fund). The Easley Plant held Pink Friday and donated \$356 to Breast Cancer Awareness.

We also actively make donations as a sponsor of little league baseball and football teams in the region of each Plant.

Forever Forest Project

YH America held the 1st planting festival in May 2010 at the Versailles Plant and planted 2,000 trees. On the premises on the north side of the Plant, 200 trees were planted in November 2012, and in April 2013, about 200 participants planted 2,000 trees.

In October 2013, we are planning on planting 2,000 trees at the Easley Plant.



Pink Friday



Forever Forest 2013