

CSR Report of YOKOHAMA TIRE MANUFACTURING (THAILAND) CO., LTD.

Business activities: Production and sales of tires for trucks and buses, light trucks and passenger cars
Total site area: 418,029 m² (plant), 1,690,000m² (Test Course)
Number of employees: 1,967 (as of December 31, 2013)
Location: 7/216 Moo.6, Amata City Industrial Estate, Tambol Map Yang Porn, Amphur Pluakdang, Rayong Province 21140, Thailand
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President's Message



Kouichi Tsuruno

In accordance with the Mid-Term Management Plan (GD100) of Yokohama Rubber, YOKOHAMA TIRE MANUFACTURING (THAILAND) CO., LTD. commenced operations in 2004 so as to shift a production base for general tires (TBS, PC/LT) overseas. In 2014 we will celebrate our 10th anniversary.

In 2009, so as to significantly strengthen and expand the tire development and testing capacity of Yokohama Rubber, the TIRE TEST CENTER OF ASIA (TTCA), a tire proving ground, was established some 30km from our plant. In 2013, by extending the WET and DRY handling

courses, we created a system where just about all facets of tire evaluation can be completed at this single facility.

In Thailand, sometimes called the "Detroit of Asia", motorization has been developing with a tremendous vigor and speed. For tires, which represent one important component of motor vehicles, both satisfaction with respect to required performance and credibility with respect to quality have become increasingly important.

Our top priority is to produce tires with minimum energy, using materials

that contribute to the environment from the stage of their being procured as raw materials, and through the utilization of their properties. Based on this premise, we strive to achieve product development, marketing and production expansion.

Since 2012, we have participated in the "Government Social Responsibility Advancement Project CSR-DIW", which is sponsored by Thailand's Ministry of Industry. We have also been awarded a Beginners Award through our participation in this project. Step-by-step we are moving forward with activities that are in accordance with the ISO26000 Seven Pillars of Core Subjects.

In 2013, we conducted our 6th plantings for the YOKOHAMA Forever Forest Project. Some 7,900 seedlings were planted on this occasion. Up until the present we have planted some 45,000 trees in all, and we plan to further increase this figure in the future. The seedlings that are used are sprouted from local acorns while the forest is created in accordance with the Miyawaki Method. Furthermore, we have supported the dissemination of this method both to other companies and schools in the region. In that we aspire to become a company that both loves the planet and is trusted, while always keeping in mind "the opportunity given to us to be active in Thailand", we hope to continue our business activities.

Organizational Governance

We have conducted legal basics training (including compliance with different laws and regulations) since 2011 for employees who are staff assistant managers and above. This program is being continued and expanded.

To improve the health and livelihoods of employees and their families, regular drug testing has been conducted since 2010. In FY2013 a total of 1,994 employees were tested (or 96% of the workforce), for a return of 60 positive results (or 3% of the workforce). For positive employees we implement a hospital program to eliminate their drug dependency, we also work hard to prevent any escalation. Thailand has experienced great difficulty in trying to eradicate drugs; however, through our own cooperation in the government-run "White Factory Project", on March 21 we were certified as a White Factory (Grade C).

In the future we will continue to promote the activities of testing, response and reporting within the PDCA cycle. Through such activities, we will work to improve compliance awareness.



The White Factory Project Certification Ceremony

Human Rights

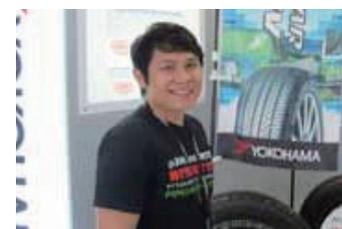
Human rights education

We conduct various types of education in aiming to develop a plant where employees can work equally and fairly, and also exercise their rights.

Employment of people with disabilities

We promote the employment of people with disabilities in that we aim to realize a society where such people can hold a job based on their abilities and aptitude, and also live independently in local society in a manner similar to that of people without disabilities. In 2008, we employed one disabled person in a leadership role, and in 2013 a total of four disabled people were employed in the safety environment section and the technology section, etc.

These employees have expressed satisfaction with their jobs through comments such as "I was able to work with nice colleagues" and "commuting is convenient".



An employee active in the workplace.

Occupational safety and health (Health and Safety Policy, health and safety measures)

Health and Safety Policy

Basic Philosophy of Safety and Health
 Safety and health is the basis of every operation and we aim to prevent occupational accidents and build up a comfortable workplace under a strong leadership of managers and supervisors with the cooperation of all employees.

Basic Policy

- (1) We aim to build up a safe, healthy and comfortable workplace.
- (2) Managers and supervisors shall be responsible for protecting the safety of subordinates without overlooking unsafe conditions and actions.
- (3) Every one of the employees at the workplace shall securely observe the rules of the workplace and work, paying full attention to safety.
- (4) We comply with the related laws and regulations, including the Labor Safety Standards Law and secure the safety of employees based on internal regulations and standards.
- (5) Based on the idea, "preparation and organization is the basis of safety and health" we thoroughly enforce observance of 2S.
- (6) In order to mitigate fatigue and stress of employees, we promote formulation of a comfortable workplace environment.
- (7) We keep good communications by employing a friendly greeting campaign by the leaders of the plant.
- (8) We carry out safety and health education and various activities to raise the level of safety and health awareness and notify cooperating companies of our safety and health policies and request cooperation.
- (9) We preclude potential dangers related to work and equipment by the Occupational Safety and Health Management System (OSHMS) and continue to reduce risks.

We continue to ensure safety and health as a top priority task. Based on the occupational safety and health management system, we promote activities in both terms of people (people and mechanism) and equipment, including open work observation activities and inherent safety of equipment activities, etc.



OHSAS Certificate



TIS Certificate

Open work observation activities (commonly known as demonstration activities)

Open work observation activities (demonstration activities) observe the steady and unsteady work practices of employees to discover and improve safety and quality issues, etc. In FY2013, we conducted 8,934 demonstrations and implemented over 1,600 improvements.



demonstration activities

Labor law seminars

Labor law seminars are conducted for all managers and supervisors who are assistant managers or above.

Questions such as "How much weight can an employee carry?" and "What is the duration of working hours?" are asked at such events. Through seminar participants acquiring knowledge that is in accordance with the law, we aim to make workplace management practices both more accurate and equitable.



A labor law seminar

Welfare explanation meetings

Explanation meetings for all employees commenced from 2012 for the purpose of explaining welfare and company regulations, along with the benefits associated therewith.

After attending these meetings, employees were of the opinion that their understanding of employee rights had deepened.



A welfare explanation meeting

Sharing positive activities

Among our employees there are those who engage in some form of positive activity in the course of their daily lives. By sharing our knowledge of them, we aim to develop human resources that can act together positively, both within the workplace and within society.



Employees who have reconstructed rest areas to make them feel more natural and who always ensure that such areas remain clean.



An employee returning a dropped wallet to its owner.

Environmental management

Environmental and Energy Policy

- (1) In order to realize sustainable improvement of environmental and energy management, we will address measures considering the environment in every operation field.
 - We will develop environmental and energy management systems in every department and processes and other activities.
 - In order to maintain and improve environmental and energy programs, the roles and responsibilities of each department will be specified.
- (2) We make efforts to reduce environmental impact and effectively use resources in every operation field.
- (3) Aiming to be a top level contributor in terms of the environment, we make efforts toward environmental conservation.
 - We strive to reduce emissions of greenhouse gases and conduct resource savings that contribute to global warming
 - In order to protect limited global resources, we make efforts to reduce waste and implement 3R (Reduction, Reuse and Recycling).
 - We comply with related legal regulations and uphold agreements, etc.
- (4) We will deepen communications with local communities to aim at coexistence.
 - We make efforts to understand environmental and energy management inside and outside of the company.
 - We respond to the opinions of people in the region.

For environment and energy savings management, we actively acquire and incorporate improvements into the company and plant.

We obtained ISO50001 Certification in August 2011 as the first company in Thailand to do so; and our energy performance improvements have been recognized.

Furthermore, in that we wanted to commence activities based on ISO26000 standards, we participated in the “Social Responsibility Advancement Project CSR-DIW” sponsored by Thailand’s Ministry of Industry. We were awarded a Beginners Award through our participation in this project. Step-by-step we are moving forward with activities that are in accordance with the ISO26000 Seven Pillars of Core Subjects.



ISO14001 certificate



ISO50001 certificate

Environmental data

Category	FY2009	FY2010	FY2011	FY2012	FY2013	
Waste emissions (t)	1,794	2,206	2,059	1,948	2,002	
Proportion sent to landfill (%)	0.2	0.0	0.0	0.0	0.0	
Energy use (oil equivalent: kJ)	Electric power	18,615	22,611	26,060	25,094	25,190
	Fuel	6,684	7,946	9,456	9,596	9,507
	Total	25,299	30,556	35,515	34,690	34,697
Greenhouse gas emissions (1,000t-CO ₂)	53.7	64.9	75.3	73.5	73.5	
Water usage(1,000m ³)	586	495	559	543	591	

* FY: January to December
 * Greenhouse gas emissions 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 from FY2008.

Examples of Efforts for Environmental Tasks

Leak Zero Activities

As part of safe (non-stopping) and energy saving activities, we deploy no leak activities of water, steam, oil and air (= leak zero leak activities). (Run the cycle of Initial cleanup → F attachment → Map preparation → Improvement → Maintenance and continuation)



Scene of Leak Zero activities

Status of management of chemical substances (response to PRTR Law)

For handling of hazardous materials, we conduct operation and management in accordance with the content provided for manual of storage and handling (including in case of emergency) by substance. While conducting periodic confirmation based on the management system, there has been no occurrence of accidents.

Noise, Vibration and Odor

Regarding information about odors from neighbors, we promoted installation of a deodorizing device, scrubber (One unit in 2010, one unit in 2011 and four units in 2012, a total of six units.) Also, we have addressed improvements as observation of odors around the Plant by staff and security guards, explanation meetings to regional residents, odor monitoring system with cooperation throughout the region and planting as odor countermeasures, etc.



Passenger car tire plant deodorizing devices (scrubber)



Truck and bus tire plant deodorizing devices (scrubber)



Information exchange meetings with the region



The Environment

Biodiversity activities in the Amata Area

As a “coexistence with nature” activity, so that Kao Maikew residents could experience peace-of-mind, numerous local companies, citizens and non-profit organizations (NGOs) banded together to construct a flood-prevention dam. On June 1 2013, 12 of our employees (out of a total 256 participants) volunteered to help. On June 15, 65 employees (out of a total 230 participants) were also actively involved.



Fair Operating Practices

We commenced visiting our business partners in Thailand in 2009. In 2012, we visited 28 companies so as to maintain open communications with them. We will build up arms' length and fair cooperative relationships through our activities, and we aim at further development by striving to improve mutual understanding and trust.

Consumer Issues

We commenced production of the BluEarth Series of environmentally-friendly products in 2011. Furthermore, we started production of the next ECOS series in 2013.

We will further expand the production percentages of environmentally-friendly products.

In 2012, the Tire Service Training Center was established on the premises of the tire proving grounds at the TIRE TEST CENTER OF ASIA (TTCA). Here people including outside dealers deepen their understanding of tires.

The training offered includes education on tire-related fuel consumption improvements.

Furthermore, in 2013 we are focusing on development of environmentally-friendly products such as introducing a rolling resistance tester. At the same time, we promote local production and local consumption of raw materials to reduce mileage (transportation loss) and stabilize supplies. Such activities accelerated activity after the floods in Thailand.

Communication with consumers

As part of safety enlightenment, we conduct tire safety campaigns in the affiliated companies, etc.

We carry out activities during safety week, etc., of each company and these activities have been highly valued.



Tire safety panel



Safety campaign in affiliated companies (photo: safety week at Okamoto Logistic (Thailand), Ltd. in November)

Response to complaints, etc.

Information received from stakeholders is quickly deployed throughout the company based on the manual and analysis and countermeasures are established to answer and respond to customers.

Relationship with local societies

In 2013, we carried out 63 major activities.

- Environment response activities, including the Forever Forest project and planting instruction, etc. : 25 cases
- Activities for strengthening the relationships with the region, including participation in regional events, etc.: 16 cases
- Cultural conservation activities, including conservation of temples, etc. : 7 cases
- Social contribution activities, including volunteer activities and donations, etc.: 15 cases

Below major activities in 2013 will be shown.



Seedlings (grown from acorns)



Planting event opening

YOKOHAMA Forever Forest Product/Environmental activities

The Miyawaki Method of forest creation has been disseminated to other companies and regional schools, and we have supported this development. We have also actively participated in various other planting activities. In June and July of 2013 we conducted our 6th plantings, breaking down the work by shifts. A total of 1,666 people participated, and 7,961 seedlings were planted in an area of 1,304m². With respect to these plantings, they were made in the vicinity of an area earmarked for the relocation of the town office, etc., in 2015. To gain experience in directing plantings, staff from the town office and people from neighboring companies also participated.



Forever Forest location



October 2013, Participated in the Pluakdeang officer plantings



Participated in the planting events of other companies (the photo shows the AMATA CITY event in August 2013)



Planting explanation to town office staff



Planting scene



Planting scene



Planting scene



Seedling donation (2,000 seedlings to OBT Bowin in July 2013)



AMATA CITY MAGAZINE coverage July 2013

Activities for strengthening relations with the region

In January 2013, participated in a Children's Day event jointly held by neighboring elementary schools and also made donations to each school. (Major elementary schools to which donations were made: Ban Khaohin school, Mab Yang Porn School, Mab Tuey School, etc.)



Children's Day



Children's Day

We have exchanges with universities and accept plant tours.



February 2013, King Mongkut's University Ladkrabang

Cultural conservation activities

May 2013, Donation to a neighborhood temple (Huayprab Temple)



Donations to temples

In July 2013, we made donations of Lent to neighboring temples.(Saphansi Temple, Mab Yang Porn Temple, Huay Prab Temple, Prasittaram Temple)



Donation of Lent

Social contribution activities

April 2013, Participation and cooperation with the Mab yang porn Sub-district Songkran event



Donations to Songkran events



August 2013, Donation of a meal to Mabyangporn primary school



Meal donations

September 2013, participated in blood donation, sponsored by Red Cross of Rayong Province.



Blood donations