

Corporate Policy

A Corporation in Step with the World

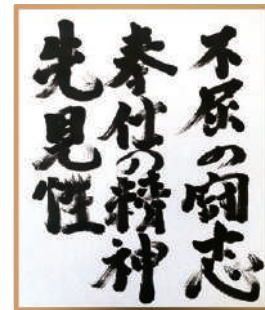
A Corporation Needed by Society

Fundamental Management Policy

In fulfilling our Corporate Policy, Yazaki Group activities are founded upon the following principles:

- 1 Increase company efficiency and provide the most value to our customers worldwide through continuous effort and the implementation of new concepts.
- 2 Uphold the law, respect regional cultures, and contribute to economic and social development.
- 3 Contribute to a prosperous future society through business focused on the environment and security.
- 4 Conduct business openly and fairly, and aim for coexistence and co-prosperity.
- 5 Care for people by creating a corporate culture that prioritizes individuality and teamwork, while empowering people's dreams.

Yazaki Spirit



Foresight Fortitude
Service Mind

The dreams and principles of our founder, as well as the thinking and spirit of many of those who came before us—those who inherited their legacy and proceeded to lay the foundation for the Yazaki Group—have been consolidated into three points that have been passed down as part of the backbone of employees of this group.

Report Outline

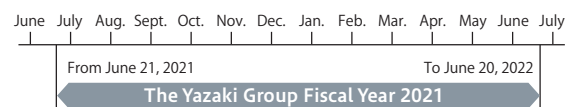
Editorial policy

Since fiscal year 2002,* the Yazaki Group has continuously published a CSR Report for the purposes of disclosing information on company activities undertaken to achieve a sustainable society and raising awareness among our employees. This report provides information on the initiatives undertaken and results obtained over the past year by the Yazaki Group in line with priority CSR issues affecting our five key stakeholders—customers, local and global communities, the global environment, business partners, and employees—in accordance with our CSR policy. We hope that this report will help to deepen understanding of the CSR activities carried out by the Yazaki Group.

* Published as an Environmental Report in fiscal year 2002 and as a Social & Environmental Report between fiscal years 2003 and 2016

Reporting period

This report conveys the details of activities carried out by the Yazaki Group in fiscal year 2021* (June 21, 2021, to June 20, 2022).



* The Yazaki Group's fiscal year extends from June 21 of a given calendar year to June 20 of the following calendar year.

Organizations covered

Yazaki Corporation and consolidated companies in Japan and overseas

Reporting cycle

Published each year as an annual report

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Priority Issue

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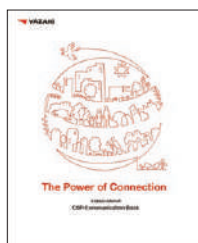
Global Reporting Initiative (GRI) Standards

Indication of organization responsible for each activity

Yazaki Corporation and consolidated companies in Japan and overseas are referred to as the Yazaki Group. As for activities conducted by other organizations, the responsible organization is specified in each instance.

CSR Communication Book

We published the CSR Communication Book in November 2020. It provides more in-depth information on our ideas and values toward the promotion of CSR, which we cannot fully cover in this report, as well as our business and initiatives based on these ideas and values.



This report and our website

While this report provides an outline of the activities of the Yazaki Group, our website presents other CSR-related information. Please visit the website together with this report.

[| WEB | Yazaki Group's CSR](https://www.yazaki-group.com/global/csr/2022.html)
https://www.yazaki-group.com/global/csr/2022.html



[| WEB | CSR Communication Book](https://www.yazaki-group.com/global/pdf/csr-communication_01.pdf)
https://www.yazaki-group.com/global/pdf/csr-communication_01.pdf



45 countries and regions



▶ See pages 69 and 70 "Group Outline" for related information

Number of countries and regions where Yazaki operates*1

92.4%



Total number of domestic and overseas group employees: **235,554**

▶ See pages 69 and 70 "Group Outline" for related information

Overseas group employee ratio*1

501



North, Central, and South America **98**

Asia **361** Europe and Africa **42**

Number of employees dispatched to overseas sites from Japan*1,2

FY 2021

The Yazaki Group

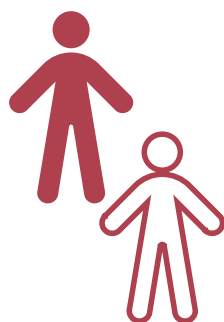
Introducing the characteristics of the Yazaki Group

at a Glance

*1 As of June 20, 2022

*2 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

77.1% (male)



22.9% (female)

Employee gender ratio*1,2

20.5% (male)

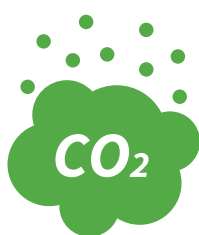


100% (female)

▶ See page 33 "Promoting Work-life Balance" for related information

Childcare leave usage rate*2

12.5%



▶ See page 47 "Initiatives to Realize a Decarbonized Society" for related information

CO₂ emissions reduction rate
(global, compared to FY 2017)

The first in JAPAN



▶ See page 49 "Yazaki Products' Contribution to Reducing CO₂" for related information

Digital tachographs installed in heavy-duty trucks J-Credit Scheme* target

* Scheme under which the government of Japan certifies the amount of greenhouse gas emissions reduced or absorbed as credit

TOP_{class}



Global share
Wire harnesses

Domestic sector shares
In-vehicle safety & service systems

Digital tachographs
Driving recorders
Taximeters

Domestic share
Electric wires

Cables used on construction sites

Approx.

1.8

trillion yen



Japan.....	34.3%
North, Central, and South America.....	29.1%
Asia.....	19.2%
Europe and Africa.....	17.4%

▶ See pages 69 and 70 “Group Outline” for related information

Consolidated net sales and breakdown by region

Awarded as one of the Clarivate Top 100 Global Innovators

FOUR

times

2015, 2016, 2021, 2022

FY 2022

**Intellectual Property Achievement Award—
Commissioner of the Japan Patent Office Award**

WINNER

**Automotive News PACE Award Finalist for
FOUR consecutive years**

2019, 2020, 2021, 2022*

* Won with “Narrow-focus lens technology for high-bandwidth data optical transmission” and “Flexible wire with improved routing in the vehicle” in September, 2022



Connecting Cars, Daily Lives, and Communities

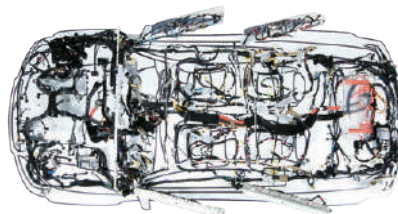
Delivering products and services that contribute to safety,
the environment, and society

Connecting CARS

Yazaki provides a wide range of products with a focus on wire harnesses (assemblies of electric wires), which function as the nervous system or blood vessels of a vehicle, meters, and other devices that support car electronics.

Wire Harness/Electronic Equipment

Wire harnesses, which are assemblies of electric wires, run throughout the car and carry electrical power and signals to the electronic equipment in a vehicle.



Wire harnesses



Smart junction block

Car Meters

Our meters, with excellent readability and well-thought-out design, bring safety and security to drivers and enhance driving pleasure.



Full-graphic meter

In-Vehicle Safety & Service Systems

We are contributing to traffic accident prevention and environmental conservation through the provision of equipment that supports safe and eco-friendly driving.



DTG 7 Digital tachograph



Arofriend 27,
a network-enabled taximeter

Charging Connectors

Yazaki's charging connectors, which are indispensable devices for charging electric vehicles and plug-in hybrid electric vehicles, are renowned for their reliability.



AC charging connector

DC charging connector

Connecting DAILY LIVES

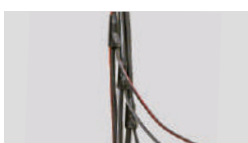
We provide products and services that can optimize the use of diverse forms of energy including electricity, gas, and solar heat.

Electric Wires

We provide lead-free general cables, environmentally friendly ecology cables, and halogen-free cables. Additionally, we were the first in the industry to acquire the Eco Leaf environmental label.



Yawaraka cable



Yazaki Slim Branch

Gas Equipment

We provide various gas devices such as gas meters and gas alarms that assure our customers' safety and security.



Arokko
LP gas alarm

U-Smart
ultrasonic gas meter

LPWA wireless
equipment

Air-Conditioning Equipment

Our absorption chiller-heaters that utilize waste heat and renewable energy are environmentally friendly air-conditioning systems.



Bio-Aroace wood pellet-fired absorption chiller-heater

Solar Equipment

We leverage the solar heating technology we have built up over many years and provide solar heating products for household and commercial use that meet customers' needs.



Eco Solar Multi split-type solar water
heating system

Connecting COMMUNITIES

We actively engage in businesses needed by society such as reducing environmental impacts and contributing to local communities.

Nursing Care

We operate a community-based nursing-care program.



Yazaki Care Center Kamifusen

Agriculture

We run a community-based agricultural business for cultivating local specialties such as vegetables and other types of produce.



Growing tomatoes in a plastic greenhouse

Environment & Recycling

We contribute to conservation of the environment through a business involving the recycling of wastepaper.



Paper foam cushioning material



Aiming to Realize a Sustainable Society by Flexibly Responding to a Changing World and Stakeholder Needs

President
Yazaki Corporation

Understanding Changes in the Business Environment to Evolve the Business

The COVID-19 pandemic, which plunged the world into chaos after emerging in the beginning of 2020, remains unpredictable. The business environment also continues to be challenging, impacted by sharp rises in raw material prices and ocean freight rates triggered by the pandemic and the

accompanying semiconductor shortage that has caused a downturn in automotive production. Furthermore, when we look at the world, it is clear that various issues are intertwined in a complex manner, including climate change, human rights issues, and geopolitical risk, with companies also being demanded to work toward solving them.

Against this backdrop, the automotive industry is going through a period of great transformation due to decarbonization efforts and the emergence of CASE and MaaS, while the electrification of vehicles and the shift from cars to mobility continues to accelerate. We recognize that it is essential to understand these economic and social changes and evolve our business.

Providing What Our Customers' Need Most

As we enter the CASE era, amid changes in the way cars are made and values, how the strengths of the Yazaki Group can be applied to meet the needs of a mobility society is being tested. Yazaki's mainstay wire harnesses are used to link equipment, supply electrical power, and transmit signals and information. With electric vehicles expected to become increasingly widespread, high-voltage wire harnesses will be essential for carrying electricity from large-capacity batteries to motors inside vehicles, and this represents a significant business opportunity. In addition, as Yazaki has developed expertise in the mass production of high-voltage distribution systems, charging systems, and battery systems since the beginning of the electric vehicle renaissance, I am confident that we can leverage this competitive advantage.

The evolution in vehicle control occurring due to the shift toward connected cars and autonomous vehicles brings with it significant change for wire harnesses. With the increased use of cameras, various types of sensors, and various ECUs,*1 demand for communication wire harnesses that connect these types of equipment is also expected to increase. Yazaki's mission is to realize the most efficient electricity distribution and signal transmission. To achieve this, we will proactively work to develop technologies that contribute to better car building by applying our EEDDS*2 technology that is capable of transmitting power and signals to where they are needed in a car in a reliable and optimal manner.

Although the changes occurring in the car world are multifaceted, I believe the important thing is to deliver what our customers need most.

The driving control systems we provide, such as digital tachographs and driving recorders, are capable of collecting driving record data with high accuracy, and can also recognize distance between vehicles, lane departure, and road markings by using image recognition technology to support safe driving. Through our mobility business, we will continue to provide new services to customers that utilize these

systems. In fiscal year 2021, we began to provide a solution capable of preventing traffic accidents and enabling safe and efficient logistics through using AI to analyze the accident data held by a non-life insurance company and the driving data we have collected.

In each of the businesses we operate, based on our deep understanding of social change and the needs of customers, we will work to create new value that can contribute to the realization of a sustainable society through providing products and services that leverage our core competence.

*1 Electronic Control Unit

*2 Electrical / Electronic Distribution & Display System

Reducing CO₂ Throughout the Entire Supply Chain

While climate change is an urgent issue, and initiatives toward achieving carbon neutrality are accelerating across the world, the environment is not a new theme for Yazaki. Since our founding, we have worked actively to use resources effectively and utilize renewable energy, and we consider the reduction of CO₂ emissions and the realization of carbon neutrality a critical issue. We have provided numerous products that contribute to helping the environment, such as our solar thermal equipment and air-conditioning equipment that utilizes waste heat and renewable energy. We have also established an internal framework to enable us to reduce CO₂ emissions on a per-product and per-factory level.

Large-scale natural disasters thought to be caused by climate change have occurred frequently in recent years, and governments throughout the world have revised greenhouse gas reduction targets. In light of this, we have set the mid-to long-term CO₂ reduction targets of reducing Scope 1 and 2 emissions by 36% by fiscal year 2030 compared to fiscal year 2017, and Scope 3 emissions by 15% compared to the reference value. We will also accelerate initiatives to achieve carbon neutrality by 2050. To achieve our targets, we will continue to strengthen efforts with customers, business partners, and various industry groups while expanding our use of renewable energy, developing new materials and technologies, and reviewing our production methods. We will also make further efforts to develop environmentally friendly products and services.

Initiatives Toward Management That Respects Human Rights

As Yazaki operates businesses in 45 countries and regions throughout the world, the building of a sustainable supply chain is a priority theme for our group. In relation to this, the issue of human rights is becoming increasingly important on a global scale, as seen in recent developments concerning

laws and regulations related to human rights in the EU and elsewhere. Yazaki has also set forth the issue of human rights as a priority theme in the promotion of CSR and is strengthening its response in this area. Specifically, in accordance with the Yazaki Group Human Rights Policy, we have prohibited forced labor and child labor throughout our supply chain, and are working to address human rights issues. Going forward, we will continue to conduct our human rights due diligence on ourselves and our business partners, and work to protect the rights of all people connected to our businesses activities through identifying human rights issues in countries and regions worldwide and carefully watching for any changes in related laws and regulations that will be enacted.

Strengthening Communication with Stakeholders

While we are a privately-owned company, we will work to communicate our approach and status of initiatives for creating a sustainable society to all of our stakeholders. For Yazaki to gain the trust of society and grow sustainably, it is important that we actively disclose information to our diverse stakeholders, including employees and their families, customers, business partners, local communities, financial institutions, and government agencies, to ensure that they adequately understand our company.

Communication is the foundation for everything. Although in-person communication has decreased due to the COVID-19 pandemic, we will work to more thoroughly share information about the Yazaki Group through means such as our CSR Report. At the same time, we will take opportunities to better grasp the needs of our customers and society, striving to proactively engaging in communication.

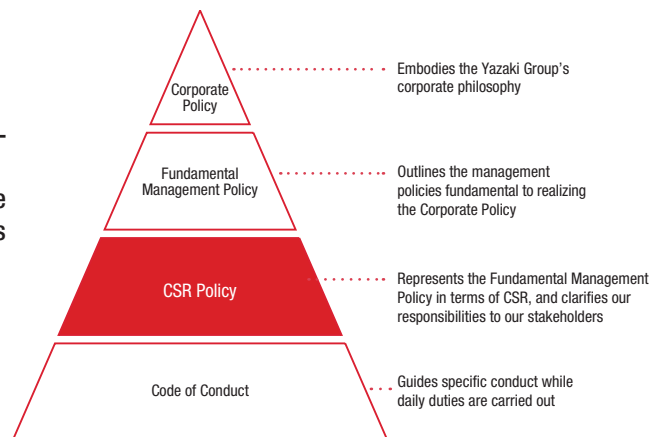
Looking to the Future

I assumed the role of president in June 2022 following the passing of our former president, Shinji Yazaki. I intend to properly carry out my duties and do everything I can, facing squarely any inconvenient facts that may arise and tackling them together with the entire organization. We are committed to upholding and carrying on the Yazaki Group Corporate Policy as the foundation of our corporate character, and the unshakeable values for realizing it cherished by our predecessors. At the same time, we will continue our steps toward the realization of a sustainable society by flexibly responding to a changing world and the needs of our stakeholders.

We would like to thank all of our stakeholders for their continued understanding and support of the Yazaki Group.

The Yazaki Group's CSR Focus

The Yazaki Group has set forth a CSR policy and is steadily implementing CSR activities while working to ensure its realization. With the aim of contributing to the development of a sustainable society, we will continue to engage in more proactive initiatives with a long-term and broad perspective.



CSR Policy

The Yazaki Group's Corporate Policy of "A Corporation in Step with the World" and "A Corporation Needed by Society" will only be realized by responding to the trust and needs of our global society. In implementing our Fundamental Management Policy, we will listen to the voices of our stakeholders and reflect them in our business activities. Our goal is to contribute to the sustainable development of the earth and society, and we will encourage our business partners to support this policy and work together with us toward its achievement.

Customers

- We will develop and provide safe and high-quality products and services that meet the expectations of our customers, and comply with relevant laws and standards.
- We will provide necessary product information properly from the perspective of customers.
- We will protect our intellectual property rights. At the same time, we will respect the legitimate intellectual property rights of others.
- We will carefully manage and protect confidential information of our business partners that we may have acquired through business activities.
- We will take preventive measures against all foreseeable risks surrounding our business and conduct risk management so that, in the event of an emergency, we will be able to protect the safety of our employees and local residents as well as maintain business continuity.

Local and global communities

- We will respect the culture and laws of each country and territory, and in conducting all corporate activities comply at all times with relevant laws as well as internal regulations, including this policy.
- We will comply with laws and regulations regarding import and export control of the country or region where we operate.
- We will prohibit the offering of bribes to public officials and politicians and maintain a sound and transparent relationship with government agencies.
- As good corporate citizens, we will endeavor to create an affluent society by promoting social contribution activities and proactive dialogue.

Global environment

- Based on the Yazaki Global Environment Charter, we will actively promote environmental conservation activities to ensure that a rich global environment is passed on to the next generation.

Business partners

- We will maintain a fair, just, and transparent relationship with our business partners and conduct transactions with integrity.
- We will comply with the laws and regulations of each country, region, or territory in order to maintain fair competition.
- In procurement activities, we will expect business partners to act in accord with this policy.

Employees

- We will build working relations of mutual trust through an open and sincere dialogue with our employees.
- We will respect the diversity of our employees, provide equal employment opportunities, and not conduct discriminatory practices.
- We will respect human rights and not tolerate human rights violations. We will not practice forced or child labor.
- We will comply with laws and regulations related to labor, including wages and working hours, and at the same time, and we will provide fair working conditions to all of our employees and maintain a safe and healthy working environment.
- We will actively pursue human resource development and improve the capacity and creativity of our employees.

Communicating and Ensuring Diligent Compliance with Our CSR Policy and Code of Conduct

The Yazaki Group sets forth a code of conduct that should be undertaken for the implementation of our CSR policy by every one of our employees.

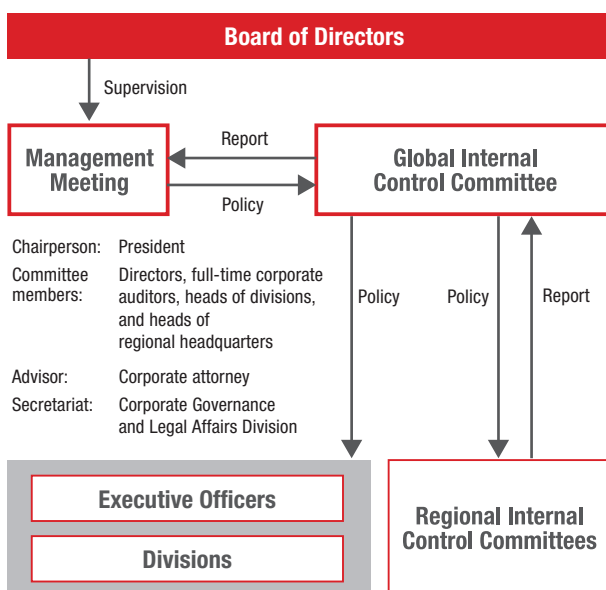
Domestically, the Yazaki Group published the Code of Conduct Handbook, a compilation that includes our CSR policy, code of conduct, and information on various consultation offices, and distributed it to all employees, including those belonging to our subsidiaries. For our overseas subsidiaries, localized versions of the Code of Conduct have been established, as compiled based on the laws and customs of each country and region and the regulations of each business site. Certain subsidiaries that have implemented their own codes of conduct have engaged in dialog with regional headquarters in an effort to ensure consistency with a code of conduct that should be complied with by Yazaki Group employees.

By thoroughly implementing this code of conduct, we will promote globally integrated activities to allow each and every one of our employees to fulfill their social responsibilities.

Organizational Structure for CSR Promotion

The Yazaki Group's Global Internal Control Committee is chaired by the president and members consist of directors, full-time corporate auditors, heads of various divisions, and the heads of regional headquarters. This Committee deliberates on important matters concerning CSR for the Yazaki

Diagram of Organizational Structure for CSR Promotion

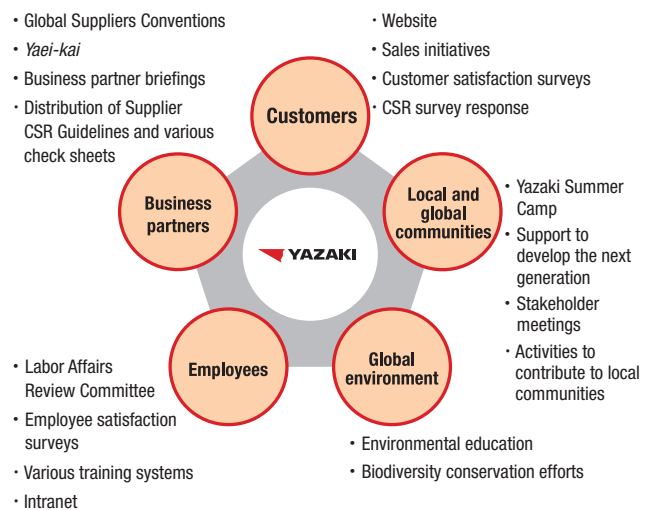


Group. The CSR Liaison Meeting has also been established as a body that is subordinate to the Internal Control Committee in Japan for the domestic Yazaki Group. The CSR Liaison Meeting's membership includes department and division heads and other executives with ties to such areas as human resources, legal affairs, and the environment. This body confirms the status of CSR promotion in each division, ascertains issues, and shares information as required.

Relationships with Stakeholders

The business of the Yazaki Group, which operates in 45 countries and regions around the world, is constituted within the framework of relationships with the various stakeholders. Through constructive dialog, we are building links of trust with these stakeholders and are working to satisfy their expectations and requests.

Communications with Stakeholders of the Yazaki Group



Social Issues That the Yazaki Group Needs to Focus On

The Yazaki Group regards CSR as a management issue and believes that it is important that we ascertain and manage the impact of the external environment on our company and the impact of our business activities on society in order to further promote initiatives concerning CSR. Accordingly, in fiscal year 2018, we identified important issues in terms of the promotion of CSR that should be addressed on a priority basis.

In addition, we have identified 23 items across six priority issue areas in relation to achieving the SDGs.

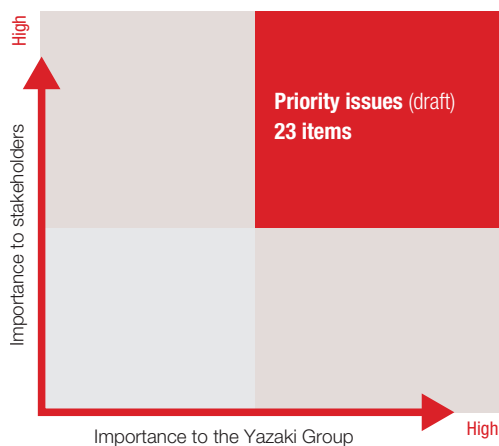
Priority Issues Identification Process

Step 1 Understanding and Having an Awareness of CSR and Extracting Issues

- Our understanding of CSR will be deepened by sharing the background behind the identification of priority issues and details concerning activities for the promotion of CSR with members of the CSR Liaison Meeting.
- Social issues are identified and listed based on international standards for CSR (GRI, SDGs, and ISO 26000), published standards (such as those contained in the Japan Business Federation's Charter of Corporate Code), and customer expectations and requests.

Step 2 Identifying Priority Issues (draft) for Promoting CSR

- Each issue is evaluated by the relevant divisions in terms of both importance to stakeholders and importance to the Yazaki Group. A matrix is then produced based on this evaluation to identify high-priority issues.
- After issues are shared with members of the CSR Liaison Meeting, their validity is evaluated, and 23 priority issues are tentatively determined.
- The positive and negative impacts of the Yazaki Group's business on these 23 issues are identified, and the manner in which these issues are connected to SDGs in the context of our business domains is investigated.



Step 3 Evaluating Validity

- The validity of priority issues (draft) is evaluated by outside experts.

Step 4 Identifying Priority Issues

- Six areas (23 items) were determined as priority issues after approval was granted by management at a management meeting held in August 2019.

Looking to the Future







We will link identified priority issues with our medium- to long-term business strategy and the policies and mission of each of our divisions, carry out the management of goals, and report on the results thereof and on our progress with respect to these issues in this report. In addition, we will conduct a review in light of the direction being taken by the Yazaki Group after the validity of the foregoing is verified through dialog with stakeholders and outside experts.

We will contribute to achieving the SDGs through our efforts in regard to these priority issues, disseminate and raise awareness of the SDGs, and contribute to the solving of social issues and the sustainable growth of the Yazaki Group to enable each employee to carry out initiatives through their daily tasks.



The Sustainable Development Goals (SDGs) were adopted by the United Nations (in September 2015) as challenges that are shared by humanity and that should be resolved by 2030. They constitute goals that we should work on achieving together on a global scale.

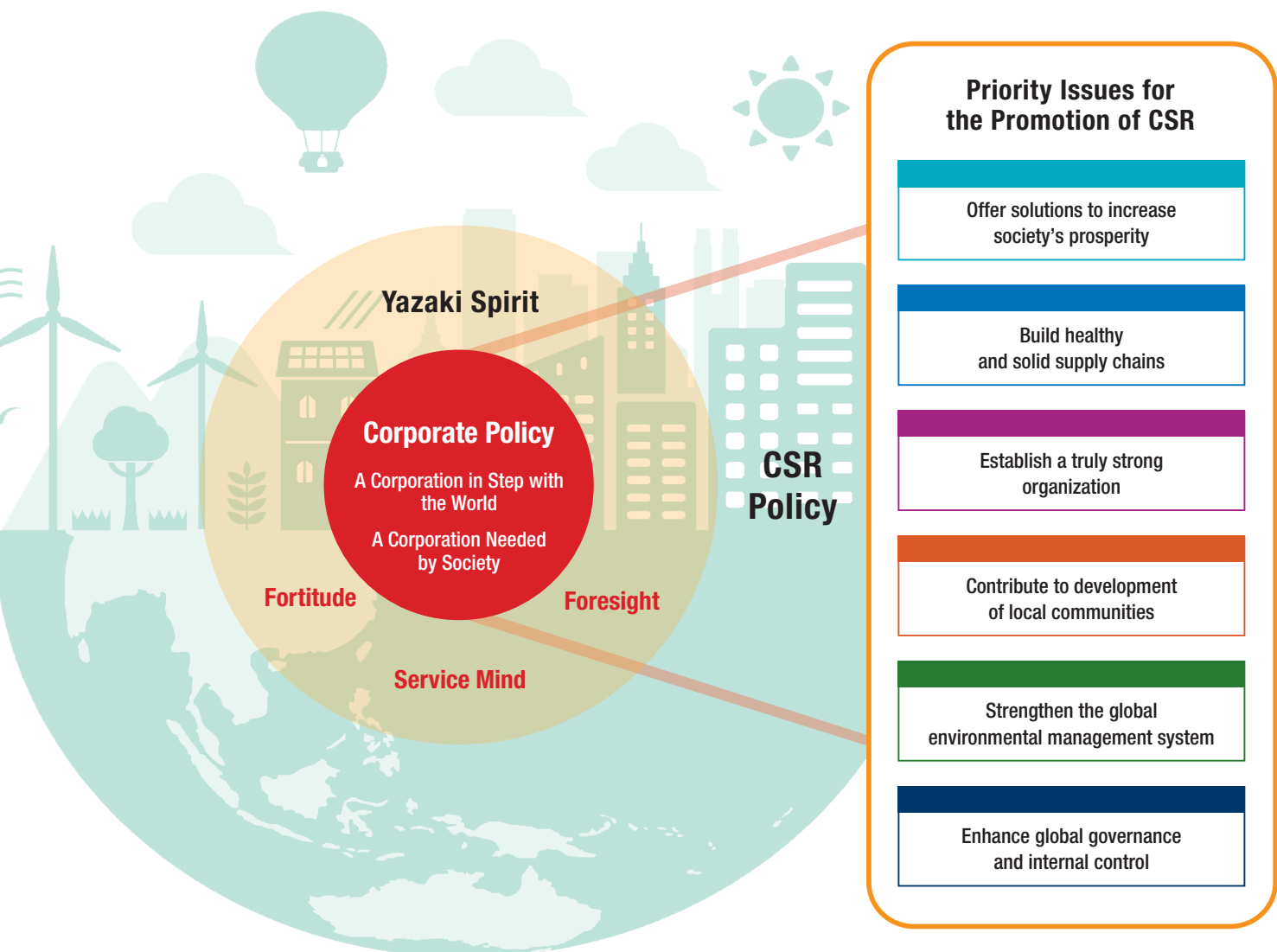
Results of Main Initiatives in Fiscal Year 2021 for Addressing CSR Priority Issues

Priority issue	Initiative theme	Main Initiatives for Fiscal Year 2021	Relevant page
Offer solutions to increase society's prosperity Relevant SDGs 	Provide safe, high-quality products and services	<ul style="list-style-type: none"> Results of safety and quality improvement by each business 	22-24
	Resolve social issues through our business	<ul style="list-style-type: none"> Achievements of activities by each business for resolving social issues 	24-26
	Promote open innovation	<ul style="list-style-type: none"> Examples of Open Innovation Initiatives 	27
Build healthy and solid supply chains Relevant SDGs 	Promote CSR procurement	<ul style="list-style-type: none"> Supplier CSR Guidelines Supplier CSR Self-Assessment Sheet Human Rights Initiatives Assessment Sheet Number of companies distributed to: 848 in Japan and overseas Declaration of Partnership Building 	29-30
Establish a truly strong organization Relevant SDGs 	Promote diversity	<ul style="list-style-type: none"> Employment rate of persons with disabilities (for applicable entities in Japan): 2.76% 	32
	Promote efficient work styles	<ul style="list-style-type: none"> Rate of childcare leave taken by male employees (for applicable entities in Japan): 20.5% 	33
	Increase employee satisfaction	<ul style="list-style-type: none"> Results of increasing employee satisfaction 	34
	Develop the next generation of human resources	<ul style="list-style-type: none"> Various training systems 	34-35
	Foster the corporate culture	<ul style="list-style-type: none"> Results of activities to foster the corporate culture 	36
	Promote health management and strengthen occupational health and safety	<ul style="list-style-type: none"> Certified Health & Productivity Management Outstanding Organization Serious accidents: 0 	36-40
Contribute to development of local communities Relevant SDGs 	Contribute to development of local communities	<ul style="list-style-type: none"> Yazaki Summer Camp programs Results for Yazaki Kizuna Foundation Examples of contributions to local communities 	42-43
Strengthen the global environmental management system Relevant SDGs 	Strengthen the global environmental management system	<ul style="list-style-type: none"> Global dissemination of the environmental laws cross audit 	45-46
	Mitigate and adapt to climate change	<ul style="list-style-type: none"> Formulation of the CO₂ emission reduction targets for the Yazaki Group CO₂ emissions (global): 87.5% compared to the base year 	47-49
	Prevent pollution	<ul style="list-style-type: none"> Serious pollutant leakage accidents: 0 	50
	Conserve biodiversity	<ul style="list-style-type: none"> Promotion of biodiversity conservation efforts 	50
	Closely manage harmful chemicals	<ul style="list-style-type: none"> VOC Emissions (for applicable sites in Japan): 93.1% compared to the previous fiscal year 	51
	Use resources effectively	<ul style="list-style-type: none"> Emissions volume (global): 92.0% compared to the previous fiscal year 	52-53
	Respond to water problems	<ul style="list-style-type: none"> Water usage (global): 97.6% compared to the previous fiscal year 	54
Enhance global governance and internal control Relevant SDGs 	Ensure management soundness, efficiency, and transparency	<ul style="list-style-type: none"> Reorganization of the Global Internal Control Committee 	57-58
	Strengthen risk management and BCM	<ul style="list-style-type: none"> Results for risk management, disaster countermeasure and BCP initiatives, and information security 	59-60
	Practice thorough compliance	<ul style="list-style-type: none"> Compliance check sheets: 55 group companies in Japan conducted self-assessments 	61-62
	Prevent all forms of corruption	<ul style="list-style-type: none"> Training to ensure Yazaki's violation of the Antimonopoly Act case is not forgotten 	62-63
	Respect human rights	<ul style="list-style-type: none"> Results of Human Rights Due Diligence 	63-64

Value Creation Process

The Yazaki Group has harnessed strengths cultivated over a period of eight decades under our corporate policy that called for “A Corporation in Step with the World” and “A Corporation Needed by Society.” In doing so, we have developed a business of connecting cars, connecting daily lives of people, and connecting communities.

By addressing priority issues for the promotion of our CSR through a business of connecting cars, the daily lives of people, and communities and related initiatives centered around our corporate policy, we will continue to provide new value to stakeholders and communities and help realize a sustainable society.



Realizing a Sustainable Society

Values That We Provide to Society

Business Operations of the Yazaki Group

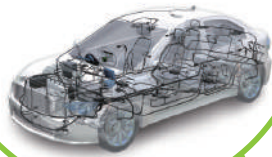
Strengths of the Yazaki Group

Production, development, and sales sites in 45 countries and regions around the world

Technical capabilities that have given rise to industry leading products

The development of human resources to support *monozukuri* (craftsmanship)

Automotive business
Connecting Cars



Contributing to a safe and comfortable mobility society

Contributing to a decarbonized, recycling-based society

Living environment equipment business
Connecting Daily Lives



Creating jobs in local communities

Supporting safety and security in our daily lives

Nursing care business, agribusiness, and environment and recycling business
Connecting Communities



Revitalizing local economies

Preventing Traffic Accidents and Realizing a Safe and Comfortable Society



In an instant, traffic accidents can threaten people, put lives in danger, and sometimes even take them. For over 60 years, the Yazaki Group has produced and sold tachographs for recording driving operations. We have now analyzed the massive amounts of driving operation data we possess using AI to develop a completely new driving diagnosis service. Through preventing traffic accidents, we will contribute to the realization of a safe and comfortable mobility society.

Creating a Safe Society Without Traffic Accidents

The number of traffic accidents and traffic accident deaths in Japan has been decreasing in recent years. According to the White Paper on Traffic Safety in Japan 2022, with a lower traffic volume nationwide in fiscal year 2020 due to the impact of COVID-19, the total number of traffic accidents was 309,178, while the number of deaths (within 24 hours of an accident) was 2,839.

However, when the accidents are examined closely, it is clear that a safe situation has not been achieved. For example, in the five years from 2017 to 2021, the number of elementary school students killed or seriously injured in traffic accidents while walking was 2,522, of which 627 were first-grade students—the largest group of victims. The figures specifically for deaths were also seven times higher for first graders than sixth graders (White Paper on Traffic Safety in Japan). Accidents also occur every year involving vehicles such as trucks colliding with lines of elementary students going to school, resulting in large numbers of injuries and deaths of children.

In the Report of the Road Transport Subcommittee of the Land Transport Committee of the Transport Policy Council published by the Ministry of Land, Infrastructure, Transport and Tourism in 2021, it was stated that “the proactive use of safe driving support technologies based on accident analysis is likely effective in reducing tragic traffic accidents as much as possible.” One form of data utilized in accident analysis is the operation data (such as speed and driving distances) collected by digital tachographs and driving recorders installed in vehicles.

The Yazaki Group launched the sale of analog tachographs in 1960, and was certified as the first company to develop digital tachographs in Japan in 1999. Currently, roughly one in two business vehicles in Japan are equipped with Yazaki's digital tachographs (according to our research). With a top-class share in this market, we are engaging in various initiatives with an aim to realize zero traffic accidents.



Yazaki's AI Safe Driving Solution

In addition to digital tachographs and driving recorders, Yazaki has also provided driving diagnosis services to support the efficient and safe driving of customers. These services have been based on the four main risks that have been thought to contribute to accidents: sudden braking, sudden acceleration, abrupt steering, and excessive speed.

However, after using AI to analyze past accident data and driving operation data from over three million vehicles, our AI Digital Division, which was established in 2019, identified that there are many accidents that are not caused by these four risks. In August 2019, we began joint research with a major casualty insurance company that possesses massive amounts of accident data. In the research, data scientists analyzed the driving behavior data recorded by Yazaki's



TRUE SAFE compatible digital tachograph, DTG 7

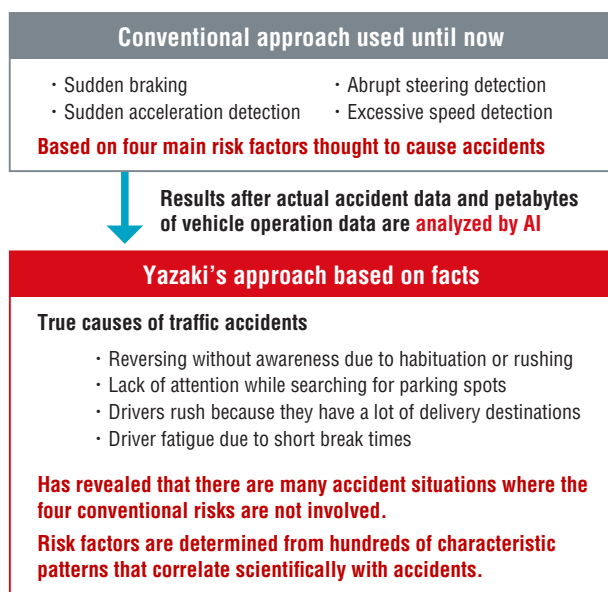
digital tachographs, as well as vehicle accident data accumulated by major causality insurance and freight companies and data on the external environment such as weather and geographical conditions. The results were processed with a cutting-edge AI algorithm, revealing hundreds of patterns with stronger correlations to accidents than the previous four main risks. With this technology, we invented a scientifically highly accurate accident prediction model and developed TRUE SAFE, Japan's first* driving risk diagnosis service, which we launched in May 2022.

* The first system in Japan that uses AI to analyze accident data and operation data from digital tachographs (according to our research)

TRUE SAFE, Preventing Accidents Through Three Strengths

Highly Accurate Accident Prediction by AI

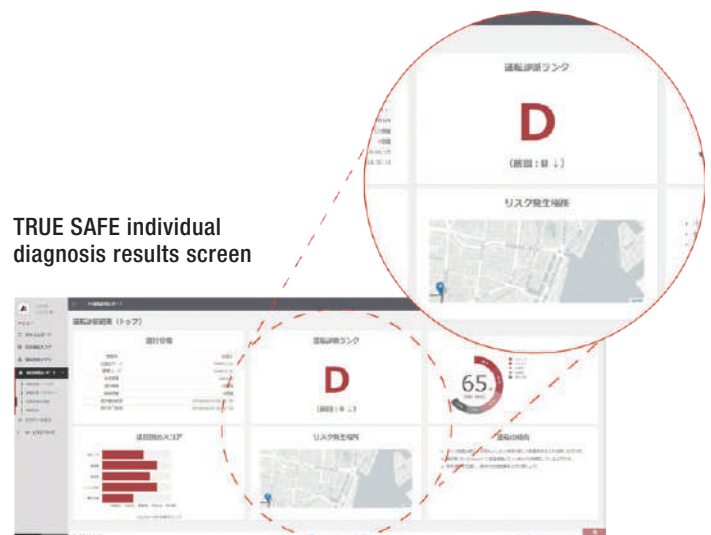
It has been a mainstream practice throughout the world for freight operators to diagnose accident risk using a small number of dangerous driving actions as indicators, such as sudden braking, sudden acceleration, abrupt steering, and excessive speed. However, through exhaustive analysis of Big Data, Yazaki has identified that there is a weak direct correlation between only these four indicators and the accident rate. The AI in TRUE SAFE identifies over 2,000 characteristic driving actions that are linked to accidents from



the operation data recorded by digital tachographs during accidents. It then correlates this to actual accident data to determine risk factors, enabling dangerous situations to be identified in advance.

Visualization of Accident Risks for Drivers and Companies

With its driving diagnosis application, TRUE SAFE quantitatively measures the driving risks of each driver, displaying diagnosis results that can be understood at a glance. It can also display dangerous spots on the route maps specific for each freight company, thereby warning drivers to be aware and raising their safety awareness. In addition, since it can aggregate daily driving diagnosis scores over a set period (yearly or monthly), it can carry out fixed-point observation of dangerous signs in driver behavior, thus making it useful for leaders, such as operations managers.



Improved and More Precise Safety Guidance

From the operation data recorded by digital tachographs, TRUE SAFE has been able to reveal specific points related to driving guidance, such as the importance of not speeding on national highways where accidents frequently occur, not accelerating repeatedly in slow traffic, or making sure to slow down near intersections. In this way, it provides more precise safety guidance that accords with the driving behaviors of each driver. In addition, since it can collect data on dangerous driving behaviors on the individual routes of freight operators, it not only provides guidance relating to driver actions and awareness, but also identifies areas



TRUE SAFE's safe driving guidance

where driver fatigue is likely to be high, making it useful for safe and efficient operation planning.



TRUE SAFE's individual driving diagnosis report screen



TRUE SAFE's risk evaluation screen for operation plans, etc.

Proof of Significant Reduction in Accident Rates

Between September 2021 and February 2022, Yazaki conducted a demonstration test for TRUE SAFE at two freight companies, covering tens of thousands of driving operations involving roughly 600 trucks. It resulted in a significant reduction in the accident rate per driving operation as compared to the same period in the previous year, and a significant difference in the accident rate was also detected between the companies' business sites that used TRUE SAFE and those

that did not. In 2022, the two companies that participated in the demonstration test significantly increased the number of vehicles in their contracts with Yazaki, and have begun to use the service on a full-scale basis.

Going forward, we will strive to realize zero traffic accidents by continuing to refine and improve the analysis accuracy of TRUE SAFE, while also developing new AI risk prediction and forecasting functions based on the analysis of internal and external vehicle video footage captured by driving recorders.

Voice

Demonstration test delivered real results Improvement of the safety awareness of customers and quality of safe driving guidance

Freight companies in the past have mentioned issues like "our driver safety guidance lacks persuasiveness because we only use a daily safety report and therefore cannot see the real operation situation" and "the required time of each job is not clear because our dispatch and delivery route planning are left to experienced employees." In regard to these sorts of issues, our customers who cooperated in the demonstration test for TRUE SAFE expressed that it enabled them to

Mitsuhiro Satoh

Division Manager, General Transportation
Systems Sales Division, Mobility Business
Operations, Yazaki Corporation



easily guide drivers thanks to its specific instruction based on the AI diagnosis. This feedback made me truly realize how beneficial the test had been. In addition, since TRUE SAFE collects route-specific data on dangerous driving behaviors, the customers can use these data for their dispatch and delivery route planning.

We will continue to contribute to preventing traffic accidents through expanding the sale of TRUE SAFE.

Message

Data Can Change Our Preconceptions

Before we analyzed Big Data such as operation data collected from Yazaki's digital tachographs and freight companies, and accident data, we did not anticipate that results would show the four main accident factors of sudden braking, sudden acceleration, abrupt steering, and excessive speed have no direct correlation to traffic accidents.

However, if a combination of conditions is taken into account, such as excessive speed on national highways that truck drivers are accustomed to, the correlation with accidents becomes numerically proven. In other words, accidents generally involve a combination of multiple factors

Hiroshi Tange

Executive Officer
General Manager, AI Digital Division
Yazaki Corporation



and every incident is different. Although it may be time consuming, the AI has revealed that there will be no significant reduction in accidents unless every one of these factors is properly taken into account.

While we will now begin to introduce this technology on a full-scale basis, the prevention of traffic accidents is a theme of serious importance, and the entire team will continue to strive while feeling the significant value in their work.

Demonstration Test in Okinawa for Reducing Rental Car Accidents

We participated in a demonstration test conducted by Toyota Mobility Foundation in Okinawa Prefecture that aimed to reduce traffic accidents among rental car users.

While traffic accident numbers at tourism destinations such as Hokkaido Prefecture and Okinawa Prefecture are on a downward trend as with nationwide numbers, accidents involving rental cars remains an issue. In Okinawa Prefecture, the reduction of traffic accidents involving rental cars has become an urgent issue not only because of the damage caused to rental car and insurance companies, but also because of the impact on local communities due to problems such as traffic congestion.

The demonstration test was conducted in cooperation with the Okinawa Prefectural Police and with various sectors connected to the rental car industry, such as the automotive, tourism, and aviation sectors. We developed an application for in-vehicle tablets that analyzes near-miss information from accident-prone areas recorded by digital tachographs,

visually displays the driving behavior, and warns drivers when they are approaching accident hotspots.

In the visual display of the driving behavior, the app encourages safe driving with a character that changes facial expressions based on the driver's behavior, and it can also display driving diagnosis results when drivers return the car. We have also implemented a service where drivers can receive shopping coupons based on their driving diagnosis scores that can be used at airport shops. It has resulted in improvements in driving behavior at hazard warning intersections, with speeding incidents decreasing by 46%, sudden starts decreasing by 49%, sudden acceleration decreasing by 78%, and sudden deceleration by 50%.

Going forward, TOYOTA MOTOR CORPORATION will also participate, and we will work together to further prevent traffic accidents by using Big Data to analyze dangerous areas, while also working to make rental car driving data useful in the consideration of tourism policies. Also, in preparation for the overseas tourists that are expected to use the service, we will strive to provide safe and attractive mobility services and contribute to the development of tourism locations.

Summary of the Demonstration Test

Period: December 9, 2021, to May 31, 2022
 Region: Okinawa Prefecture (main island)
 Target: Toyota Rent a Car, Okinawa, Naha Airport Shop
 Total of 495 customer groups using demonstration test cars

- Prior to the demonstration test, digital tachographs were installed in 20 vehicles, and customer driving data such as for speed and sudden acceleration/deceleration was recorded and analyzed.
- Locations where rental car accidents had occurred were identified from past accident data, and a safe driving guidance application was developed for in-vehicle tablets.
- Observed changes in rental car driver behavior regarding driving safety before and after the demonstration test.

During Driving

Driving diagnosis information during driving is communicated via a cute cartoon character.

Auditory and visual warnings prompt the driver to be aware whenever they approach a dangerous intersection.

Returning the Car

Driving diagnosis score results are evaluated according to three levels (A, B, C).

Category	Score
Speed	★★★★★
Acceleration	★★★★★
Braking	★★★★★
Driving distance	0.00 km

Measures in Response to COVID-19

To cope with the global COVID-19 pandemic, the Yazaki Group implemented the appropriate measures to prevent the spread of infection by placing the highest priority on the health and safety of employees, their families, customers, suppliers, and other stakeholders.

The Yazaki Group's Main Initiatives for Fiscal Year 2021

Crisis Management System Safety and Security of Employees and Business Continuity

When the COVID-19 pandemic first began, the Yazaki Group established the COVID-19 Crisis Management Team in 2020 and took cross-sectional measures on a global level, such as formulating business continuity plans (BCPs) for each business and sharing information on infection countermeasures. In 2021, despite demands for emergency responses due to factors such as lockdowns in the countries we operate in and states of emergency that were declared three times in Japan, we carried out swift decision making according to our crisis management system, and implemented safety countermeasures for employees and BCPs.

Infection Prevention Measures for Employees

The Yazaki Group is conducting health awareness activities and revising guidelines in accordance with the situation of each country we operate in to prevent COVID-19 infection among our employees and business partners. To prevent infection among employees and reduce the risk of severe disease, the Yazaki Group in Japan has conducted workplace vaccinations and established a system that allows employees to take special leave on the day of vaccination, putting in place an environment that ensures they can receive vaccinations without concerns about side effects.



Efforts to Ensure Continued Production

The Yazaki Group was forced to suspend operations at some of its production sites due to lockdowns in ASEAN countries. In response, based on the instruction of governments in countries where lockdowns occurred, we worked to maintain group-wide delivery to ensure our customers could continue their production lines through measures such as enabling employees to live temporarily on company grounds while continuing production. The Yazaki Group in Japan has also established emergency production lines, and employees worked together to ensure production.



Initiatives for Working with COVID-19

We are creating a safe and secure working environment for employees by developing and strengthening the IT environment and expanding the employees covered by work-from-home arrangements as much as possible. During the COVID-19 pandemic, we have taken steps to prevent the spread of infection within our company in terms of how employees can safely carry out their work, such as creating an environment for meetings, establishing appropriate rules, and distributing testing kits.

Key Measures for the Prevention of COVID-19

As of June 20, 2022

Ensure handwashing, hand antiseptics, and the wearing of masks
Regular disinfection of common areas and work areas in offices and factories
Temperature measurement and health check before leaving home (in the case of ill health, contact the manager and stay at home or work from home)
Refraining from talking while eating at employee cafeterias (eating without talking)
Refraining from talking in smoking areas
Staggered commuting by employees who use public transportation
Stringent ventilation measures in locations such as offices, meeting rooms, break areas, and cafeterias / installation of CO ₂ sensors on each floor
Recommending working from home



Priority Issue

Offer Solutions to Increase Society's Prosperity

- P21 **Message from the heads of our businesses**
- P22 **Provide safe, high-quality products and services**
- P24 **Resolve social issues through our business**
- P27 **Promote open innovation**

Yazaki Corporation ran a booth at Automotive Engineering Exposition 2022 YOKOHAMA from May 25 to May 27, 2022. We introduced products related to electric vehicles and various services that aim to support the safety and security of people living in a mobility society.

Prompted by a corporate policy that calls for us to serve as “A Corporation in Step with the World” and as “A Corporation Needed by Society,” we believe that our mission and purpose are to continue to provide unsurpassed value to customers around the world and contribute to society through manufacturing. With the Yazaki Spirit (Fortitude, Service Mind and Foresight) that has been continually handed down from our founder and other predecessors, we shall seek to improve social prosperity and provide solutions that meet the needs of a changing society without forgetting our origin as a manufacturing company.

Relevant SDGs



Message from the heads of our businesses

Automotive Business

Contributing to a Safe and Comfortable Car Society Through New Ideas and Technology

To contribute and respond to our customers' promotion of new automotive technologies represented by CASE, and the pursuit of the ever-present issues in a car society of safety, security, convenience, and comfort, we will create and propose new automotive electrical technology, while also working together with our customers to develop new in-vehicle equipment and manufacture and provide products. In addition, taking the fulfilment of the Yazaki Group Corporate Policy as our motto, we will engage in activities to realize a sustainable society, including working toward decarbonization. For example, to respond to the rapid shift toward electric vehicles, we will contribute through providing high-voltage wire harnesses and battery power components by integrating the vehicle power distribution technologies we have cultivated so far and further advanced with new ideas. The automotive industry has been significantly affected by a wide range of risks in the last few years, such as ocean freight disruptions, soaring raw material prices, and semiconductor supply issues, which have been triggered by the COVID-19 pandemic. Amid this environment, we will continue to work with business partners and industry groups to engage in initiatives for establishing resilient and strong *monozukuri*.



Makoto Katsumata

Senior Managing Director
General Manager, Automotive
Business Management Division
Yazaki Corporation

Mobility Business

Providing Solutions from a MaaS Viewpoint to Meet the Needs of the Logistics Industry

The mobility revolution, which has brought about a once-in-a-century change, is having an impact on automobiles and on all sorts of different sectors. In order to address this change, we established the Mobility Business Operations in fiscal year 2019 and have promoted the creation of business by collaborating both internally and externally. As an example, in December 2021, we were successful in having digital tachographs equipped in heavy-duty trucks certified under the J-Credit Scheme.* In addition, we are collaborating with other companies to reduce the CO₂ emissions of transport businesses by using 3D sensor technology to visualize trucks' cargo areas and manage load factors. Furthermore, with 19 million kilometers of driving data per day accumulated in our commercial vehicle operation management system, we process and sell these data per customers' needs, to contribute to the business efficiency of construction consultants and the logistics industry. We will continue to contribute to the SDGs by providing total solutions for the improvement of safety, quality, and efficiency in the logistics industry from a MaaS viewpoint.



Noboru Osada

Senior Managing Director
General Manager, Mobility Business
Operations
Yazaki Corporation

Living Environment Equipment Business

Providing Products and Services That Use Diverse Forms of Energy Optimally

Society now places importance not only on companies' financial indicators for business operations but also their social contribution through business activities. In addition to focusing on elements such as enhancing shareholder value, upholding compliance, improving the labor environment, and responding to diversity, Yazaki Energy System Corporation is responsible for the Group's Living Environment Equipment Division as a company that comprehensively provides all types of energy solutions. In cooperation with related divisions, we have begun a range of initiatives for achieving CO₂ reduction targets to address climate change, including the measurement of energy consumption and examining the selection of suppliers. We are enhancing our products and services by incorporating environmental factors, such as the adoption of biomass-derived materials and coordinating with industries and customers for the use of J-Credits.

We will continue to contribute to the development of a sustainable society through business activities that support the creation of a global environment that is friendly to all life by providing products and services that optimally utilize diverse forms of energy.



Ko Yazaki

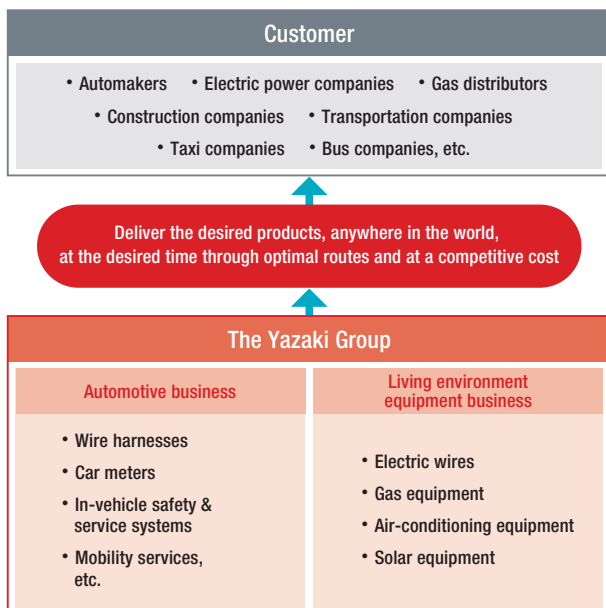
President
Yazaki Energy System Corporation



Provide safe, high-quality products and services

Since our founding, the Yazaki Group has continued to engage in business activities with a commitment to providing the best value to customers around the world. We aim to remain an invaluable partner to our customers by fulfilling our responsibility to provide safe, high-quality products and services that are consistent with trust placed in us by customers and that meet their expectations.

Yazaki Group Businesses and Customers



Providing Safe, High-quality Products and Services

Automotive Business

In our automotive business, all relevant departments are co-operating and collaborating to respond to changes, including technical innovations to accommodate the CASE era, the revolution with the spread of new mobility services through MaaS, and growing demands from society, such as those concerning carbon neutrality.

Centered on wire harnesses that link the various in-vehicle equipment types, we have positioned EEDDS* as the basis for our business and have formed a framework that covers all processes, starting from the development of materials to the design and production of finished products. This enables us to provide high-quality final products to our customers globally. Going forward, we will apply our existing EEDDS technology to provide exceptional products in other new domains such as personal mobility.

* Electrical / Electronic Distribution & Display System; a system for the optimal distribution and display of electricity, signals, and information

Mobility Services

The Yazaki Group has been providing fleet*¹ management services (FMS) that help fleet operators streamline the management of their fleets by obtaining various types of data through digital tachographs and taximeters from trucks, buses, taxis, and other commercial vehicles. To meet the needs for advanced safety, quality, and efficiency improvements by way of compound services targeting end-to-end arrangements from the standpoint of MaaS in our mobility business, we are accumulating Big Data as cultivated through our FMS business on the Yazaki Mobility Platform,*² analyzing and processing data with the use of AI, and providing total solutions based on new ideas generated through linkages with outside data. We released TRUE SAFE in May 2022, a system that provides driving diagnosis that more accurately reflects accident situations by analyzing driving behavior data and accident data with AI. Through TRUE SAFE, we are contributing to reducing accidents among freight business operators. (Related information: page 15 to 18 "Special Feature")

*1 Vehicles owned by companies or used in businesses, etc.

*2 A platform for accumulating and analyzing Big Data constituted through the acquisition of location data and various other types of vehicle information from commercial vehicles equipped with our corporate group's in-vehicle safety & service systems

In-vehicle Safety & Service Systems

In our in-vehicle safety & service systems business, we have established a nationwide sales and service network primarily built around tachographs and taximeters and are working together with dealers to maintain close relations with actual worksites (*gemba*) and provide total support that ensures customers are satisfied.

Against a backdrop of increasing demands for the logistics industry to make efforts toward safety, labor management, and the environment, in fiscal year 2021, many business operators introduced our mainstay product DTG 7, an integrated driving recorder and digital tachograph. We also added the YLD 1 driving recorder for forklifts in cargo handling operations to our lineup, expanding the scope of our products for safety management in logistics processes with the aim of providing total solutions for logistics digital transformation (DX). Looking ahead, we will continue to

contribute to the logistics industry and logistics business operators, seeking to provide new functions in addition to the existing digital tachograph and driving recorder functions. These include advanced safety management features that utilize AI technology, as well as functions that support the strengthening of working time management with a view to ensure compliance with the overtime work restriction regulations of the Act on the Arrangement of Related Acts to Promote Work Style Reform that is planned to also apply to driving work from 2024.

Electric Wires

The Yazaki Group has been selling power cables, communications cables, branch cables, and other social infrastructure-supporting products for over half a century. These products are used on various construction sites. In connection to current policies toward realizing a greener society nationwide, road lamps are being switched to LED lights under one of the initiatives of the "MLIT Green Challenge," which was announced in July 2021. Some of the related work takes place inside tunnels in challenging environments that have poor light and involve working from heights. Due to this, we commenced sales of our *One-touch Waterproof Connector* in 2011 to contribute to improving connecting work efficiency and quality stabilization. In addition, with the aim of further improving connection quality, we upgraded to our *EGy Waterproof Connector* in 2018 by adding a function for the prevention of connection faults due to incomplete fittings, which frequently occur at actual worksites. The product was registered under the NETIS* of the Ministry of Land, Infrastructure, Transport and Tourism in October 2017, and has been evaluated highly by users for its workability, in addition to quality and safety. We will continue to listen to our customers' opinions on a daily basis to provide safe and high-quality products.

* New Technology Information System: a data base managed by the Ministry of Land, Infrastructure, Transport and Tourism for the sharing and provision of information related to new technologies developed by private enterprises, etc.

Gas Equipment

The Yazaki Group began selling liquefied petroleum (LP) gas meters for the first time in Japan in 1963 and has worked hard to develop the LP gas industry and ensure a stable supply and the safety of LP gas through the provision of various products and services to date.

In fiscal year 2021, from the perspective of stable gas supply, we launched sales of *Hot Water Circulation Type ARORIZER*, an LP gas vaporizer based on the concept of being compact, lightweight, environmentally friendly, and with monitoring capabilities. The industry-first monitoring function (according to our research), enables users to constantly monitor the vaporizer's operation status and ensure stable

supply by carrying out preventative maintenance to avoid breakdowns and other issues.

So that gas distributors can acquire expertise and technical skills as part of our activities, we hold training courses four times a year to help them become certified LP gas equipment operators. In fiscal year 2021, we hosted the online training courses twice to prevent the spread of infection from COVID-19, with all 32 participants passing.

Environmental Systems Equipment

In our environmental systems business, we are meeting a wide range of customer needs to realize carbon neutrality by providing products and services that utilize renewable energy sources, such as solar heat and wood biomass, and unused energy sources, such as waste heat.

Techno Yazaki Co., Ltd., a company that sells, designs, and installs as well as offers maintenance services for *Super Aroace*, an absorption chiller-heater system, and solar equipment, is working on developing a quality manual that includes check sheets and manuals for each process. In fiscal year 2021, based on our Quality Manual for Construction, we continued the practice of conducting work preparation meetings before commencing installation works to thoroughly ensure compliance and prevent any complaints or the need for corrections during or after the installation process. We also continued efforts toward providing safe and high-quality products and services to our customers.

Providing Information on Product Safety

We provide product instruction manuals with handling precautions and information to users to ensure that products are used safely. For example, in our electric wires, gas equipment, and environmental systems equipment businesses, we have made it easier for users to find the information they need by including relevant information and product support information on our websites. In our in-vehicle safety & service systems business, we also conduct training for retailers based on installation and handling manuals and provide regular training on new and existing products.

Working to Improve Quality

At the Yazaki Group, all divisions work together in accordance with relevant laws, regulations, and standards to meet the expectations of our customers throughout the world by continuously providing safe and high-quality products and services.

For example, in our Automotive Division, we have established the Global Process Management System (GPMS), an integrated global framework for quality assurance across all stages, from product planning, to design, production and sales. We also work to fully achieve the quality, cost,



delivery, environment, and safety (QCDES) goals and effectively improve the quality of our work itself through initiatives for providing products and services to our customers that leverage the strengths of the Yazaki Group. In addition, we are promoting the acquisition of the ISO 9001 certification, which is a quality management system standard that ensures the continuous provision of quality products to customers globally, and in our automotive business, we are maintaining

and managing our IATF 16949 certification, a standard in the automotive industry.

In the event of internal or external quality-related issues, relevant departments share information on quality globally and implement measures and standards for solving such issues, while also striving to prevent recurrence by incorporating the measures into operational processes.

Resolve social issues through our business

The Yazaki Group is helping realize a sustainable society through not just products that support a mobility society and products and services that can utilize a wide variety of energy sources, such as solar heat, waste heat, and wood pellets, but also an extensive range of business activities corresponding to nursing care, agriculture, the environment and recycling, and other areas.

Contributing to the Development of a Sustainable Society

Automotive Business

We are proactively developing high-voltage power distribution system products to respond to the global shift toward electric vehicles for the realization of carbon neutrality and a decarbonized society.

Our highly flexible electric wires that contribute to the improvement of the routing of high-voltage wire harnesses to vehicles as well as our high-voltage connectors that possess high connection reliability and bus bar modules that connect battery cells inside battery packs are being adopted in many electric vehicles.

We will continue to develop products that handle various voltages and currents to support the evolution of electric vehicles, which have entered era where they are becoming mainstream.

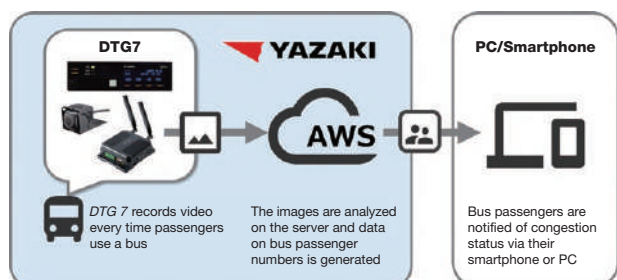
Mobility Services

We develop and provide services that can help solve social issues by way of the use of technologies and data cultivated through our mobility services business, as one aspect of the business activities that the Yazaki Group is engaged in with a focus on contributing to the achievement of the SDGs. Since fiscal year 2020, we have continued to enhance the detection accuracy of our products and the convenience of our services to improve the efficiency of road maintenance and management by local governments and provide support for early recovery in the event of a disaster.

Rental car accidents have become a community issue in tourist regions such as Okinawa Prefecture and Hokkaido Prefecture. The Yazaki Group is collaborating with various industry participants to promote services that reduce rental car accidents. Specifically, we have commenced a demonstration test for a service that aims to increase the safe driving awareness of rental car users through means such as prior warning of accident-prone locations based on accident analysis results, driving diagnosis that analyzes data when driving, and the awarding of coupons based on diagnosis results. We will continue to promote initiatives designed to solve social challenges. (Related information: page 18 “Special Feature”)

In-vehicle Safety & Service Systems

In our in-vehicle safety & service systems business, we seek to realize safe, low-carbon smart communities through the provision of solution services featuring advanced safety management practices based on the use of in-vehicle safety and service systems and data to address issues affecting transportation, logistics, and passenger businesses,



namely safety and security, the environment and energy conservation, productivity improvements, and efficiency and convenience, in accordance with the concept of connecting vehicles, infrastructure, and information.

As an example, in June 2021, we began to provide passenger count data to bus business operators in Ibaraki Prefecture obtained through analyzing in-bus camera footage from driving recorders. Also, in addition to providing information on current bus locations and estimated arrival times at bus stops as it has previously, our bus user app can now display congestion information for buses, supporting safety and peace of mind when using local public transport amid the COVID-19 pandemic.

Electric Wires

Our various types of electric wires and cables, which support social infrastructure, are being used at many construction sites. Currently, an aging workforce and associated personnel shortages are becoming social issues in the construction industry. Our electric wires business contributes to improving work efficiency by providing products that enable work to be carried out safely, securely, and in a short period of time. For example, our *Yawaraka cable* reduces installation work time as it is easily reshaped, and our branched cables and unit cables are processed at factories in advance, thereby eliminating work that was previously done on site. We will continue to provide products with exceptional workability to solve the issue of personnel shortages arising from increased construction demand in the construction industry.

Gas Equipment

In recent years, new initiatives have begun to harness the IoT and LPWA* systems for wireless communications with the aim of rationalizing the LP gas business in response to such issues as depopulation and labor shortages in the LP gas industry. To assist the operation of gas centralized monitoring centers, the Yazaki Group provides automatic meter reading services and undertakes contract work for night and holiday security tasks, thereby playing a role in the work-style reform of gas sales business operators and contributing to solving their issues.

* Low Power Wide Area: A collective term for low-power, wide-area wireless communications

Environmental Systems Equipment

In the business of environmental systems, we are helping to achieve a decarbonized society through the development and sale of such environmentally friendly products as heating and cooling equipment based on the use of renewable energy and unused energy sources.

Local governments aiming to recycle forestry resources in their communities are working to use wood pellets made from thinned wood and wood waste from sawmills and have adopted *Bio-Aroace*, our wood pellet-fired absorption chiller-heater, for this purpose.

In 2021, *Bio-Aroace* was adopted by Kasakakenishi Elementary School in Midori City, Gunma Prefecture as part of their efforts toward countering global warming and also to contribute to local production and consumption through using wood pellets produced by the Watarase Forestry's Union, also in Midori City. The use of *Bio-Aroace* is expected to reduce CO₂ by approximately 70% compared to electric chiller-heaters. In addition, our hot-water-fired *Aroace* waste heat-utilizing absorption chiller-heater, which can use waste heat from heat and power supply systems and biomass boilers, solar heat, and other forms of unused heat energy, has been adopted at sports centers, plant factories, and elsewhere in Europe and North, Central, and South America.

We will continue to seek to contribute to the achievement of SDGs and decarbonization by offering environmentally friendly products to customers.



Bio-Aroace wood pellet-fueled absorption chiller-heater installed at Kasakakenishi Elementary School in Midori City (Midori City, Gunma Prefecture)



Nursing Care, Agriculture, and Environment & Recycling

Amid the globalization of the automotive industry, the Yazaki Group has been relocating its production sites overseas with the result that its domestic business has shrunk. The Yazaki Group in Japan is working on businesses related to nursing care, agriculture, and the environment and recycling in order to take on the challenge of solving problems faced by local communities, including declining rates of childbirth, aging, and depopulation, while protecting local jobs.

In our nursing care business, a total of seven companies provide services such as home-visit care and nursing homes to local residents in the regions where they operate, with a total of 755 people using the services as of the end of December, 2021. We have paid utmost attention in ensuring that these services can be used safely and with peace of mind amid the COVID-19 pandemic.

In our agriculture business, a total of two of our companies collaborate with local producers, residents, and companies in the regions they operate, producing and selling local specialty agricultural products and processed foods made using local specialty products, such as sorbet and pound cake.

In our environmental and recycling business, we manufacture and sell cushioning materials made from recycled shredded postcards.

We will continue to be involved in projects to induce the resolution of social issues faced by local communities in concert with regional partners.



Processed foods made using local specialty products

Forest Regeneration Initiatives

In cooperation with the town of Yusuhara in Kochi Prefecture, in October 2006, the Yazaki Group launched a Wood Biomass Community Recycling Program promoted through a tri-sector collaboration involving local governments, forestry associations, and companies. Under the program, we carry out forestry conservation and regeneration activities with Yusuhara in Kochi Prefecture to contribute to the sustainable recycling of forest resources.

In fiscal year 2021, we participated in the Reiwa Forest Building Project launched by Yusuhara with the aim of promoting sustainable natural capital and a coexistence model. We engaged in activities based on dialogue and cooperation toward formulating and implementing the project's "Vision for Redefining the Value of Forests."

In April 2022, Yusuhara was selected as a Decarbonization Leading Area by the Ministry of the Environment. We will continue to participate in the project to contribute to Yusuhara's aim to be "a utopian town where people can live happily for generations."



Tree planting in Yusuhara



Promote open innovation

We are promoting open innovation together with companies and universities for the purpose of boosting the sustainable growth of society and companies by solving business issues and developing new technologies and business models with new ideas, through proactive acts of co-creation and partnerships with outside parties.

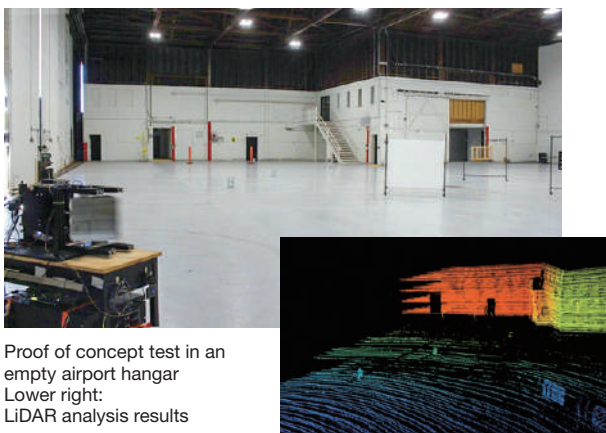
Examples of Open Innovation Initiatives

Initiatives for Achieving Zero Accidents in Cargo Loading and Unloading

Yazaki Innovations Inc. (U.S.A.) is located in Silicon Valley, a place where many exceptional entrepreneurs have competed. Since 2021, the company has worked on the application of the next generation LiDAR* 2.0 in collaboration with a Stanford University-originated startup, which has developed the technology. We commenced this initiative as LiDAR is able to detect highly accurate locations and shapes of objects and is a technology that can be used widely in situations that require more accurate three-dimensional spatial recognition, which can contribute to accident prevention.

In December 2021, we completed a proof of concept in which the technology was applied to empty airport hangars, and from February 2022, we commenced a demonstration test at the receiving and dispatch bays of our group companies' warehouses to verify its use for commercial purposes. While the technology is still in its initial stage of commercialization, we are working with a focus on achieving zero cargo loading and unloading accidents and solving other issues that companies face.

* Light Detection and Ranging

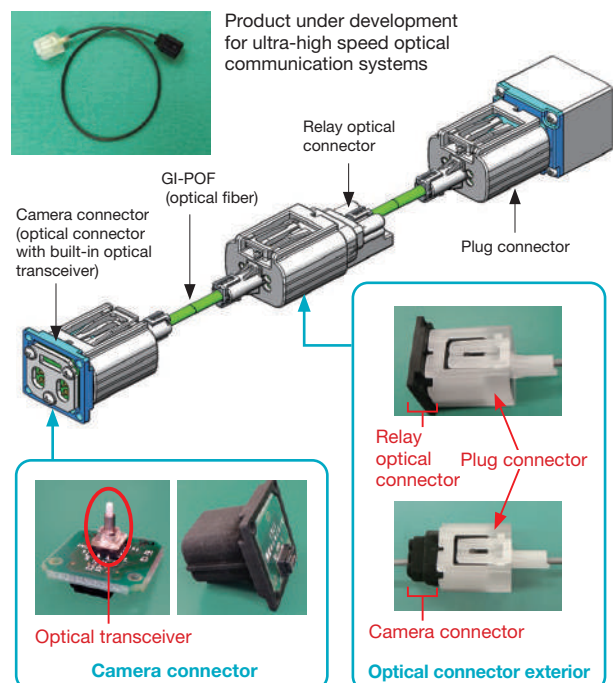


Proof of concept test in an empty airport hangar
Lower right:
LiDAR analysis results

Launch of Research Toward the Standardization of In-vehicle Ultra-High-Speed Optical Communication Systems

Ultra-high speed (10 Gbps) communication and processing of various forms of Big Data, such as high-resolution camera images, sensor, and IoT information, is essential for the realization of autonomous driving systems. Conventional communication cables made from metals present issues in terms of heavy weight and increased costs when used for achieving ultra-high-speed communication and processing.

To address this challenge, under a project commissioned by the New Energy and Industrial Technology Development Organization (NEDO), we have worked with Utsunomiya University, Phi Microtech, Inc. and AGC Inc. since 2021 to develop a next-generation ultra-high speed optical communication system that uses light-weight plastic optical fibers that have exceptional cost performance and safety as in-vehicle cables. With this technology, we will support the realization of autonomous driving systems and contribute to improving fuel and electricity consumption. In addition, through proposing the completed technology for international standardization, it can play a role of leading the in-vehicle communications industry.





Priority Issue

Build Healthy and Solid Supply Chains

P29 Promote CSR procurement

As social issues become diversified and increasingly complex, it will be important to engage in CSR across the entire supply chain. The Yazaki Group, with principle of fair, equitable and good-faith dealing with its suppliers, shares its CSR-related policies and goals and works together on solving social issues. In order to prevail in the face of intense competition in the global marketplace, we will also endeavor to coexist and co-prosper with our suppliers, build strong, strategic partnerships, and forge a system that will allow us to rapidly adapt to changes in the business environment.

Relevant SDGs



Promote CSR procurement

The Yazaki Group has prescribed the Purchasing Guidelines for supply chain management to ensure that there is a shared understanding of CSR matters with its suppliers and to promote procurement in line with CSR together with these parties.

Purchasing Guidelines

Based on the fundamental management policy (4: Conduct business openly and fairly, and aim for co-existence and co-prosperity), we ensure the maximum business opportunity, set short-/long-term targets to be shared with suppliers, then implement coordinated investment and share the newly planned development and cost reduction achievement.

Action Guidelines

- 1 Conduct business openly and fairly
- 2 Strengthen competitiveness together with suppliers
- 3 Aim for co-existence and co-prosperity with suppliers
- 4 Share issues and target in cost reduction activity and its achievement
- 5 Ensure interactive communication based on mutual trust
- 6 In selecting a supplier, consider, not only the quality, cost, delivery time, and technology, but also the status of social responsibility initiatives for environment, risk management, compliance, human rights, and labor conditions.

CSR Procurement Initiatives

The Yazaki Group has published and distributed the Supplier CSR Guidelines for the purpose of cultivating a shared understanding of CSR and promoting CSR activities with suppliers. In addition to having suppliers carry out their own CSR activities based on these guidelines, we encourage them to do the same with their own suppliers.

In order to ensure that these guidelines are disseminated to and followed by our suppliers, we regularly distribute the Supplier CSR Self-Assessment Sheet and the Human Rights Initiatives Assessment Sheet to our suppliers and ask them to carry out self-assessments related to the state of their CSR initiatives.

After grading self-assessment sheets that are returned to us, we review the results of grading and provide feedback on the results of this process to suppliers. We take the initiative in engaging in direct dialog with suppliers who require improvement and encouraging them to take action. In July of fiscal year 2021, we distributed the Supplier CSR Guidelines and the assessment sheets to 848 suppliers both in Japan and overseas. Based on the results, we have provided online opportunities for dialogue with some of the suppliers, working to ascertain the status of their CSR initiatives and any difficulties they may be encountering. We will continue to promote CSR procurement in collaboration with our suppliers.

| WEB | **Supplier CSR Guidelines**

https://www.yazaki-group.com/global/pdf/csr_supplier_e.pdf



Dialogue with Suppliers

Operating in 45 countries and regions around the world, the Yazaki Group aims to optimally procure raw materials, electronic parts, wire harness parts, instrument parts, equipment, and various materials.

In order to share procurement policies and issues through two-way communications with suppliers in different regions around the world, we hold a general meeting of global suppliers once a year. As in fiscal year 2020, we held the Fiscal Year 2021 Purchasing Policy Briefing Session for our business regions in Japan and overseas on an online basis in response to the COVID-19 pandemic. A total of 136 companies in Japan and 160 companies overseas participated to share details on business environments surrounding the Yazaki Group and our procurement policies. In addition to items on quality, performance, and price, we clearly presented items we expect from suppliers related to the environment, the working environment, information security, and other matters and have worked on promoting CSR activities with our suppliers accordingly.



Initiatives for Achieving Co-existence and Co-prosperity with Suppliers

The Yazaki Group runs *Yaei-kai*, a cooperative whose members consist of 24 supplier companies, to promote CSR and encourage a thorough commitment to daily management across the entire supply chain through regular general meetings and information exchange meetings.

The *Yaei-kai* holds a general meeting once per year and also runs study sessions based on the content of the Purchasing Policy Briefing Session. In fiscal year 2021, in addition to holding the annual general meeting in September, study sessions were conducted on the themes of CSR, safety and security at production sites, and carbon neutrality, in an effort to increase the mutual corporate value of the Yazaki Group and its suppliers.

Thorough Management of Environmentally Hazardous Substances

To ascertain the state of work process management, the Yazaki Group carries out inspections of supplier's work processes and conducts surveys on their use of chemical substances and substances subject to regulations and approval and on the state of product assurances. Specific phthalate esters have been added to the restricted substances list of the RoHS Directive.*1 As there is the possibility these substances can transfer when in contact with other substances, we regularly measure their content in the products we purchase from our suppliers (excluding metal-based products) to verify safety.

In addition, following the revision of the GADSL,*2 we have worked to share information with suppliers to ensure appropriate reporting is carried out in accordance with the General Rules and Guidelines Concerning the IMDS*3 Data Sheet, striving to uphold legal compliance with our suppliers.

*1 EU directive on the restriction of the use of specified hazardous substances in electrical and electronic equipment

*2 Substance list established under the collective agreement of a group comprised of various automotive manufactures throughout the world

*3 International Material Data System

WEB | YAZAKI Green Purchasing Guidelines
https://www.yazaki-group.com/global/pdf/csr_green_e.pdf



Topics

Declaration of Partnership Building

Having endorsed the initiative of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Japanese Government, four of Yazaki Group companies* formulated and announced a Declaration of Partnership Building in April 2022. We will continue to promote appropriate business dealings, strengthening efforts to ensure that relationships with business partners are based on the principle in the Yazaki Group's Fundamental Management Policy to "conduct business openly and fairly, and aim for coexistence and co-prosperity."

* Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Responsible Procurement of Minerals

The Yazaki Group promotes procurement activities based on the Global Responsible Mineral Policy in order to avoid directly or indirectly funding armed groups, the perpetration of every kind of human rights abuse, including abuse stemming from the use of child labor, and environmental destruction in conflict-affected and high-risk areas (CAHRAs), including the Democratic Republic of the Congo and neighboring countries.

Societal requirements concerning procurement are intensifying, such as those set forth in the United States' Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the EU's Conflict Minerals Regulation, and the OECD's (Organization for Economic Co-operation and Development) Due Diligence Guidance. With this trend, the number of countries, risks, and minerals targeted by these requirements is also growing. To respond to this changing environment, we collaborate with our suppliers and industry groups to investigate smelters that produce target minerals used in our products (tin, tantalum, tungsten, and gold) by tracing them back through the entire supply chain each year to verify the existence of any local risks or concerns in regard to CSR procurement.

Moreover, as a member of Responsible Minerals Initiative (RMI), an international organization that works to promote the responsible procurement of minerals, we cooperate with investigation of smelters conducted by RMI.

We will continue to work on further collaborating with suppliers and various industry groups to refrain from using minerals of concern wherever their use is revealed.

WEB | Global Responsible Mineral Policy
<https://www.yazaki-group.com/global/csr/conflict.html>





Priority Issue

Establish a Truly Strong Organization

- P32 Promote diversity
- P33 Promote efficient work styles
- P34 Increase employee satisfaction
- P34 Develop the next generation of human resources
- P36 Foster the corporate culture
- P36 Promote health management
- P39 Strengthen occupational health and safety

Yazaki Morocco S.A., the Yazaki Group's first company in Morocco, celebrated its 20th anniversary in 2021. We expressed our gratitude to 43 of its employees who have provided continuous service since the company's establishment and presented them with an award certificate and trophy.

The Yazaki Group believes that realizing the Fundamental Management Policy principle of "Care for people by creating a corporate culture that prioritizes individuality and teamwork, while empowering people's dreams" will allow us to grow as an enterprise. In keeping with this principle, we intend to establish a satisfying working environment where all employees can reach their potential and where diverse work styles can be accommodated. In addition, our intent is to continually increase organizational capability and productivity. Our focus will be on promoting diversity, developing global human resources, and securing excellent personnel with outstanding skills.

Relevant SDGs





Promote diversity

The Yazaki Group has a variety of global business segments and considers it important that human resources play active roles in our enterprise. We work to establish a working environment where all employees can achieve their full potential, regardless of nationality, race, sex, sexual orientation, age, place of origin, educational background, family relationships, disabilities, religion, or differences in the form of employment.

Promoting Active Roles for Women

The Yazaki Group established a new action plan in response to the Act on the Promotion of Women's Year Participation and Advancement in the Workplace in fiscal year 2020 to support the active career building of female employees.

In fiscal year 2021, we continued our efforts in providing flexible work style arrangements by establishing a work-at-home system, and implementing the flextime system as in the previous fiscal year. In April 2022, the implementation rate of the flextime system was 58%, surpassing the initial target of 50%. By implementing flexible work-style reforms including working from home, we will continue efforts to promote female management candidates and female experts, which is one of our management goals.

Plan period	Five years from April 1, 2021, to March 31, 2026
Target 1	Increase the percentage of female management candidates from 3% in April 2021 to 7% or more and female experts from 4% in April 2021 to 8% or more.
Target 2	Increase the introduction of a system that contributes to flexible work styles (flextime system, staggered working hours system, etc.) from 23% in April 2021 to 50%.

Active Roles of Older Workers

The Yazaki Group strives to establish post retirement re-employment systems (Senior System, Anchor System, and Elder System) to reemploy retired employees who possess advanced techniques and technical skills. In fiscal year 2021, we employed 31 employees in Senior* positions, 467 in Anchor* positions and 144 employees in Elder* positions. In addition, we are working to secure employment opportunities for older persons up to the age of 70 in accordance with the Revised Act on Stabilization of Employment of Elderly Persons enforced in April 2021.

* Senior and Anchor Systems target permanent employees, while the Elder System targets associate employees.

Expanding Employment and Work Fields of Persons with Disabilities

The Yazaki Group is striving to create a working environment where all employees can make the most of their skills and aptitudes and work with enthusiasm; the Group is positively working to employ persons with disabilities. In fiscal year 2021, to increase the work-style choices in accordance with the individual circumstances of employees with disabilities and enable them to work more easily, we continued the short working hours system and also introduced an overtime exemption system. As a form of financial support, we have also started to compensate employees for costs related to the acquisition and renewal of disability certificates. In fiscal year 2021, we employed 335 persons* with disabilities, including those newly hired, working toward an employment rate of persons with disabilities of 2.76%.*

We will continue efforts to review and improve the internal system so that employees with disabilities can work more comfortably in the future.

* The total for Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation, and the special subsidiary Yazaki Business Support Co., Ltd., calculated on the basis of the Act to Facilitate the Employment of Persons with Disabilities

Topics

Disability Employment Training

On November 16, 2021, the "Skill-up Training Sessions for Company Person in Charge," an online seminar introducing the disability employment initiatives of Yazaki Business Support Co., Ltd., was held as a part of Shizuoka Prefecture's program to support companies employing those with disabilities. The seminar was provided for persons in charge of labor management or recruitment for persons with disabilities at companies or other organizations, and 36 people applied for the session on the day. They commented that the session was an extremely beneficial opportunity to learn about the onboarding process as well as methods of support. We will continue to expand employment opportunities for those with disabilities and create an environment where they can work with peace of mind.

Promote efficient work styles

The Yazaki Group responds to changes in the social environment and satisfies the needs of employees. Our goal is to be an enterprise that is attractive for employees, their families, and other stakeholders, as well as the community, and thus we strive to create workplaces where employees can work comfortably and feel rewarded.

Improving Comfortable Workplaces

The Yazaki Group strives to create workplaces where all employees can demonstrate high motivation and achieve satisfaction. In fiscal year 2021, we worked to increase awareness of labor management and work-style reforms to safeguard the mental and physical health of employees. Efforts included workplace surveys of long working hours, requests to monitor long working hours of management personnel, and overwork prevention education. We also communicated information on how to run online meetings between sites with timezone differences, commenced the distribution of lists of employees working over 80 hours of overtime per month to each division, and issued a document titled Key Points for Overtime and Attendance Management to subsidiaries. In addition, we introduced and began to manage a work-at-home system to support flexible work styles for employees.

We will continue to provide employees with rewarding workplaces where their safety and security is ensured and they can work in a healthy and comfortable way and develop professionally.

Promoting Work-life Balance

The Yazaki Group is creating a culture where employees can use the related childcare and nursing care systems as needed. To encourage their use, in fiscal year 2019, we established a rule specifying that managers create opportunities to explain the Group childcare support system to subordinates. We have also stipulated rules in our guidelines to ensure that each workplace thoroughly complies with the revised Child Care and Family Care Leave Law that took effect on April 1, 2022, which has introduced legal obligations. In addition, we have revised our company rules to permit the use of childcare and nursing care leave for employees who have served for less than one year, regardless of whether they are in permanent or non-permanent positions.

Due to these activities, the rate of male employees using childcare leave increased from 2.2% in fiscal year 2018 to 20.5% in fiscal year 2021. Going forward, we will

continue activities to make our company a place where employees can easily balance their work, childcare, and nursing care obligations.

Number of employees who took leave for childcare, nursing care, and elderly care*1

Category		FY	2017	2018	2019	2020	2021
Childcare leave	Male		8	6	20	33	53
	Female		76	66	78	57	60
	Total		84	72	98	90	113
Retention rate after childcare leave the previous fiscal year*2	Male		66.7%	100.0%	100.0%	100.0%	100.0%
	Female		98.0%	98.6%	98.4%	100.0%	96.5%
Short working hours due to childcare			190	222	206	225	347
Nursing care leave			86	85	109	94	121
Continuous elderly care leave			2	1	2	5	6
Short working hours due to elderly care			2	4	3	6	7
Elderly care leave			11	11	11	24	25

*1 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

*2 Retention rate = Number of employees working 12 months after returning from childcare leave / Number of employees who returned to work from childcare leave



Yazaki Childcare Brochure



Increase employee satisfaction

The Yazaki Group is striving to build trust relationships between labor and management through active communication, establish a fair and equitable personnel system, and increase the motivation and satisfaction of employees.

Sincere Dialog with Employees

The Yazaki Group believes mutual understanding and relations of trust between labor and management should lead to the growth and development of both the group companies and employees; consequently, the Group is working to improve its personnel system and the workplace environment in the collaboration with the Yazaki Labor Union. In the Yazaki Group Labor-Management Joint Declaration, we have set forth our commitment to the creation of a corporate atmosphere and culture that fosters mental and physical health. To realize this, the Labor Affairs Review Committee and Branch Office Labor-management Conference meet once a month, in addition to the annual labor council, to examine regulations and verify performance. We also strive to exchange opinions between labor and management through biannual branch office visits.

In fiscal year 2021, we examined a work-at-home system and created systems that ensure colleagues can collaborate even while working from home. In addition, we discussed the use of the accumulating paid leave system (backup holiday) and made improvements so that employees who wish to engage in volunteer activities can use the system more easily.

Further Improving the Personnel System

A personnel system of the Yazaki Group called Rewarding Employees Who Worked Hard has been established to properly evaluate employees motivated in their roles and who have produced excellent results.

This system covers all employees, and evaluations are

conducted based on the two approaches of “Management by Objectives” and “Role Behavior.” Superiors and subordinates set and confirm annual goals and priority action items at the beginning of each fiscal year, and evaluations are conducted on a half-yearly basis. In fiscal year 2021, we continued efforts from the previous fiscal year to provide training for newly appointed managers, aiming to further disseminate the practice of setting appropriate goals for evaluations.

In addition, we are considering making part of the evaluation index for management at the overseas regional headquarters the same as the index used at domestic sites in order to create fair and equitable personnel evaluations throughout the Group.

Enhancement of Employee Welfare Benefits

The Yazaki Group is working to enhance employee welfare benefits based on its belief that both a sound working and living environment are important in enabling employees to play active roles. In addition to maintaining cafeterias at sites with many employees, we provide lunch cost assistance to sites that do not have cafeterias. We also support our employees in living stable lives by providing dormitories for single employees and those working away from their families, as well as company housing. To enable our employees to easily prepare for their retirement, we have put in place a retirement benefit plan and defined-benefit pension plan, and we have also established a non-mandatory defined contribution pension plan. For our overseas group companies, we take into account the laws and customs of the countries and regions we operate in and manage employee welfare benefit systems accordingly.

Develop the next generation of human resources

As work styles expand with the incorporation of diversity and inclusion, the Yazaki Group will emphasize employee development and work toward human development to bring out individuality and the full potential of teamwork.

Training System

Opportunities for education and training are always available for everyone. This is our basic rule. The educational system

of the Yazaki Group is characterized by providing appropriate educational opportunities that meet the wishes of those who want to develop further skills. In this way, we develop the next generation of human resources. Company-wide education in fiscal year 2021 was reviewed and continuously

Establish a Truly Strong Organization

provided in consideration of measures implemented for the COVID-19 pandemic. However, we suspended some educational opportunities whose purposes could not be achieved with a different method.

Yazaki Leadership Development Seminar

The seminar is provided for young managers and manager candidates who were recommended by their division heads. The purpose of the seminar is to develop basic management knowledge and leadership, along with business skills and the mindset of playing an active role under diverse environments.

Yazaki-juku (Dialog with Top Management)

We organized the *Yazaki-juku* as a place for employees to exchange views directly with top management, deepen mutual understanding, and gain a wider perspective. A Follow-up Workshop was first held in 1983 where employees who had worked for the Yazaki Group for over five years discussed the principles and objectives of the Yazaki Group with the honorary chairman. At the Management Roundtable Conference, first held in 1999, department managers exchanged views with the president about their visions of how to manage the workplace.

Yazaki Corporate Culture Training

This human resource development program invites employees of the overseas sites to Japan. They study the Japanese language and culture and gain work experience in Japan to promote an understanding of the Yazaki Group's corporate culture.

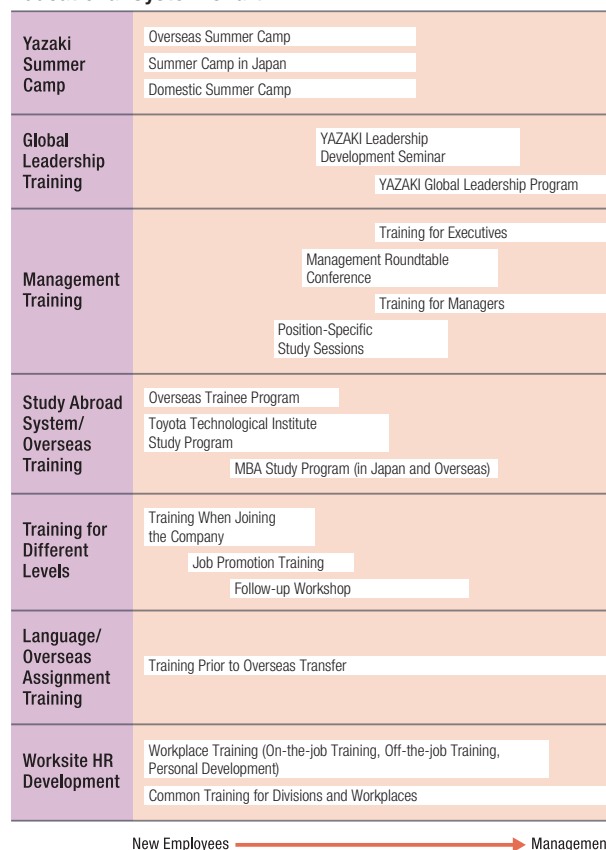
Overseas Trainee Program

In this system, employees acquire the skills required to smoothly conduct overseas work and related operations through language and business training in overseas sites for up to one year. They acquire new perspectives on communication and on how to proceed with operations on a global team. Also, this system gives employees an opportunity to think deeply again about the Yazaki Group Corporate Policy. In 2021, we sent one employee to an overseas site for a period of one year.

MBA Study Program

Through the MBA Study Program, we send employees with five or more years of work experience to educational institutions in North America, China, India, and Japan. This program aims to develop the skills required for the corporate operation of the Yazaki Group and to develop human resources who will play core roles in business in dispatched countries. In 2021, we sent one employee to an educational institution in North America for a period of two years.

Educational System Chart



New Employees → Management

Promotion of Activities that Support International Understanding

The Yazaki Group believes that it is important for employees to combine the skills of creativity, autonomy, language, and an understanding of different cultures to foster global personnel who can take on challenges. Going forward, we would like to expand activities that support international understanding by cooperating in the development of global personnel activities at local educational institutions and other companies.

The Adventure School, started in 1993, is part of these support activities. So far, more than 1,300 people have participated and stayed in 44 host countries in gaining skills overseas, with one person participating in the program in fiscal year 2021.



Foster the corporate culture

The Yazaki Group believes that it is important for employees working in 45 countries and regions throughout the world to share the same ideas and head in the same direction to achieve the Yazaki Group Corporate Policy. Thus, we are working to disseminate the corporate philosophy.



Corporate philosophy training at PT. EDS Manufacturing Indonesia

Disseminating the Corporate Philosophy

We provide education in the Yazaki Group Corporate Policy for the purpose of understanding, dissemination, entrenching, and re-acknowledgement of each phase of training when joining the company, job promotion training, and training prior to an overseas transfer. We tell employees that an understanding of the corporate philosophy, achieved by thinking about the relationship between their own work and the corporate philosophy by individuals and as a group,

will lead to the development of the company as well as the individuals. In fiscal year 2021, we added education on the corporate philosophy to the position-based study sessions we provide to those in management.

Additionally, we prepare common training materials for the dissemination and entrenchment of the corporate philosophy and provide training sessions for management that are run through regional headquarters. We provide support so that the training can be continuous in each region in the future.

Promote health management

The maintenance and promotion of good health for employees are vital in order to achieve their best-possible potential. We enforce health measures that allow each employee to be individually and independently active in improving their health.

Improving Mental and Physical Health

The Yazaki Group puts efforts into the management of physical health for early recovery from illness and prevention of exacerbation, as well as the prevention of mental health disorders caused by the workplace environment, and we strive for a workplace where employees can work enthusiastically.

For physical health measures, we have set the target of ensuring that 100% of Yazaki Group employees receive regular health checkups, and that 100% of employees at high risk receive follow-up checkups so that they can receive early treatment for illnesses or prevent their worsening.

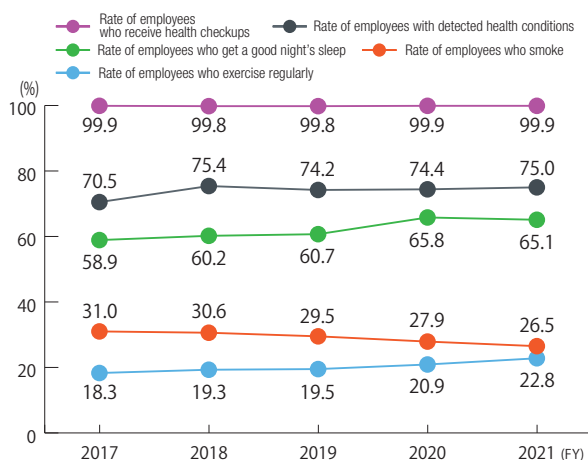
Mental health measures include stress checks. We actively conduct interviews and offer guidance from doctors (which is legally required) and health-related consultations (with nursing staff for employees with a high degree of stress) so that employees can feel comfortable voicing any concerns.

In order to realize a workplace environment where all employees can work comfortably, we strive to improve the workplace environment by examining both the state of stress in workplaces and the results of engagement surveys that quantitatively measure the relationship between employees and the company. As a result of these efforts, we have been selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program since 2018.



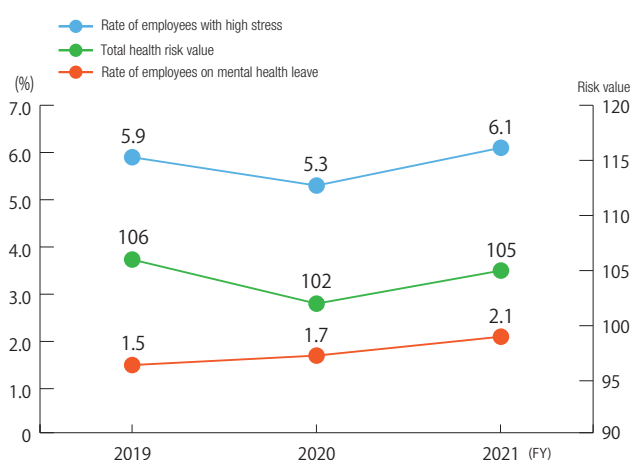
Establish a Truly Strong Organization

Status of Physical Health*



* Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Status of Mental Health*



* Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Main Initiatives for Responding to Health Issues

Action item	Health Issue	Target	Initiatives
Lifestyle disease prevention	The percentage of employees with detected health conditions (those require follow up checkups and higher) remained at over 70%, with a high number of people at risk of lifestyle disease.	Less than 70% of employees with detected health conditions	To implement health guidance for as many employees with detected health conditions as possible, we actively encourage employees to receive specific health guidance in collaboration with the Yazaki Health Insurance Association.
			To lower the percentage of employees who smoke, we support smokers in quitting smoking through cooperating with the Yazaki Health Insurance Association and regularly conducting a company-wide non-smoking day.
			We visualize health issues at each site by summarizing regular health checkup data in the Yazaki Health White Paper. Each site implements their own health measure to tackle their own issues.
Reducing the risk of lost work time and illness	The total health risk value of workplaces is higher than average, and there is a high level of risk for lost work time and illness.	Total health risk value of less than 100	Based on the results of the stress check and engagement survey, all workplaces identify their own issues in their departments and carry out workplace improvement initiatives. The secretariat also supports workplaces with particularly high degrees of stress over time.
			With the aim of reducing the impact of stressors, we have added a topic called the "Improving Support to Reduce Workplace Stress" to our annual Self Care and Line Care Training, working to strengthen support between superiors and subordinates and among colleagues.
			To prevent the recurrence of lost work time due to mental illness, we manage employees using an original health check sheet after they return to work, and have formed a follow-up system for reinstated employees that supports them in their work duties, health management, and other areas.

Health Management for Those on Overseas Assignment

For employees working abroad, practicing the same health management as in Japan has proved difficult because these individuals must live long term in places very different from Japan in terms of healthcare, sanitation, and food. Therefore, the Yazaki Group provides a special health management system for employees working abroad, to help make health management at least a bit more similar to that of employees working in Japan, and offers equivalent health management to accompanying families.

Employees working abroad and family members undergo very thorough medical checkups for physical health and mental health once a year in their health management

system, with all health data examined by occupational physicians overseas to ensure early detection of any illness. Following the spread of the COVID-19 pandemic throughout the world, we have strengthened the health management system based on risks employees may face if infected, such as the presence of underlying diseases, in an effort to lower the health risk for those overseas.

We also have a 24-hour advice line just for employees on overseas assignment, and they can access the service at any hour from any country.

Before the transfer, we ensure that they are vaccinated as recommended by the government for each region and distribute household medicine in response to mild symptoms of diseases. Thus, we emphasize the prevention of contracting and worsening diseases in the assigned countries.



Efforts of the Wellness Center

The Wellness Center offers a variety of programs to create a corporate culture where employees can develop and nurture healthy ways of living and working. It conducts activities to get people working in the Yazaki Group and the organization involved with one another to realize a culture where both can grow healthy.

Specifically, the center appoints Wellness Promoters in each department, who lead activities that heighten wellness. At the Wellness Promoters Conference, which has been held online due to the COVID-19 pandemic, we introduce the center's activities and initiatives from each workplace in order to spread best practices. In fiscal year 2021, we introduced four best practices, including practices of the center that have been implemented step-by-step for two years and have achieved improvement at workplaces. We then awarded the Wellness Promoter responsible for these practices.



The Yazaki Group Wellness Wheel. It is comprised of five factors that represent wellness.

Topics

Programs of the Wellness Center

An organization is its people. If its people are healthy, it will have a positive impact on the organization, and a sound organization will serve as fertile ground for its people to grow. We believe that if more people can lead healthy work lives, it will make the organization more productive, laying the foundation for a company that cares for people. With these ideas in mind, the Wellness Center provides various programs for our employees.

	Update your lifestyle Reflecting on myself with others to see our true selves		Learn and work in nature Learning a balance between work and life by facing nature and its unpredictability
	Taking time out from our busy lives To look within and find our positive qualities, and experience gratitude		Grow healthy while working Gain awareness and learn a healthy way of working through "wellness work"
	Reaching our potential as individuals and groups A communication tool that promotes respect, attentiveness, and acceptance toward other people through game activities		Experience art and people Art communication program for increasing creativity, self-expression, and mutual understanding
	Measure, understand, and increase emotional intelligence Cultivate emotional intelligence to improve our work by maximizing the unique potential of ourselves and others		Learn about wellness together Wellness training programs are customized for workplace needs led by external experts
	Communication exercise for listening to our bodies and improving our minds Energize both mind and body at the same time!		Wellness time during working hours For wellness at work and at home. Live online service that helps refresh our minds.

Strengthen occupational health and safety

The Yazaki Group established the Yazaki Group Health and Safety Policy through the mutual cooperation of the Yazaki Group and employees, to ensure health and safety in the workplace and help to accomplish assigned duties.

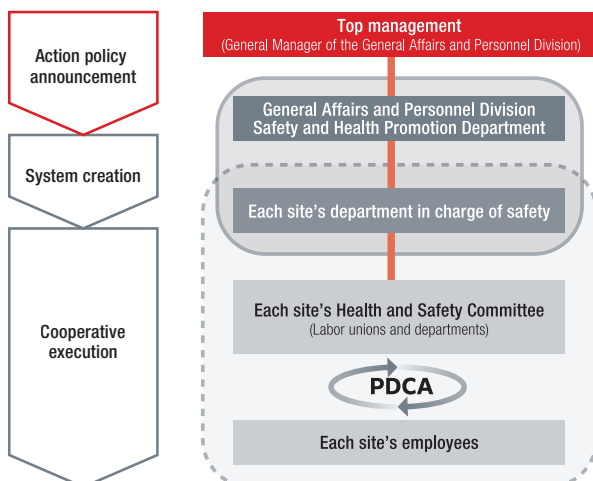
Health and Safety System

The Yazaki Group seeks to firmly establish a safety culture based on the Yazaki Group Health and Safety Policy and thus promotes the establishment of a safe working environment.

Within our domestic production sites, we strive to improve the working environment by prioritizing the safety of employees, temporary staff, and external contractors through such means as conducting workplace diagnoses to evaluate the level of safety and health management based on the occupational safety and health management system. In the event of an industrial accident, we respond immediately and ensure that information and countermeasures are shared within the company in an effort to prevent the recurrence of similar accidents. We also work to reinforce the safety and health management system through the verification, guidance, and follow-up by the Safety and Health Promotion Department.

We strive to prevent similar accidents globally by sharing information on industrial accidents based on the Global

Diagram of Occupational Health and Safety System



FY 2021 Yazaki Group 81st Period

Health and Safety Policy

1. Top management and all employees take unified action for health and safety initiatives based on compliance and to try to firmly establish a safety culture.
2. Our sites and the Health and Safety Promotion Department cooperate to maintain and strengthen health and safety systems and eliminate accidents.
3. We work to enhance workplace communication and maintain and promote employees' physical and mental health with new measures.

Hitoshi Sakai

Director and Executive Vice President
General Manager, General Affairs and Personnel Division
Yazaki Corporation

Health and Safety Policy. We also try to thoroughly follow the rules to prevent serious disasters and strive to increase safety awareness.

In fiscal year 2021, based on the Yazaki Group Health and Safety Policy, we set three safety management targets and six operational targets linked to their achievement to address issues in a focused manner.

The industrial accident frequency rate (lost work time) at the Yazaki Group in Japan was 0.45 with a severity rate of 0.0068 in fiscal year 2021. We aim to move forward in further reducing the number of industrial accidents by working Group-wide with training to prevent the recurrence of minor industrial accidents in the future.

Safety Management Targets and Results

	Target value	Result
Activities targets	Zero major occupational accidents	0 accidents (achieved)
	Zero accidents at facilities caused by violations of the "Stop, Call, Wait" rule	6 accidents (not achieved)
	Zero accidents caused by violations of <i>poketenashi</i> * walking fall prevention rules	1 accident (not achieved)

* Safety acronym for five rules for the prevention of falling while walking

Frequency Rates of Occupational Accidents/Severity Rate/ Number of Accidents (all factories in Japan)

	FY 2019	FY 2020	FY 2021
Frequency rate*1	0.41	0.36	0.45
Severity rate*2	0.0099	0.0066	0.0068

*1 Frequency rate of occupational accidents: Number of people injured or who died due to occupational accidents per one million working hours, indicating the frequency of occupational accidents.

*2 Severity rate of occupational accidents: Number of workdays lost per 1,000 working hours, indicating the severity of occupational accidents.



Occupational Health and Safety Training

The Yazaki Group seeks to improve safety awareness among those in the same workplace based on the Yazaki Group Health and Safety Policy and strives to establish a safe working environment.

Within the domestic Yazaki Group, we are working to improve the safety awareness of employees by providing employment stage-specific health and safety training for everyone from new employees to management, practical safety training to heighten employee risk sensitivity, risk prediction

Voice

Occupational Health and Safety Trainer

Ayako Tsukagoshi

General Affairs and Personnel Division
Yazaki Corporation



Humans are often said to be creatures that are prone to omitting things, forgetting things, and making mistakes. At the Yazaki Group, we have also had accidents caused through taking shortcuts in our duties. In training, I explain the characteristics of human behavior, and communicate the importance of rule compliance and *Kiken Yochi* (KY; hazard prediction). Going forward, I will strive to create memorable training programs to reduce the number of accident victims as much as possible.

training, and traffic safety education. We systematically promote the acquisition of qualifications to secure personnel who are able to take over positions requiring the qualifications of health officers and work supervisors.

Fire Prevention Measures

The Yazaki Group is proceeding with fire prevention measures to protect the lives of employees and corporate assets from fires and prevent any influence on the community and customers.

We are improving the fire prevention management rules to prevent fires caused by electric facility equipment and chemicals, as well as the fire prevention management system for domestic sites. We periodically check whether fire prevention management is properly conducted and make progress in improvement.

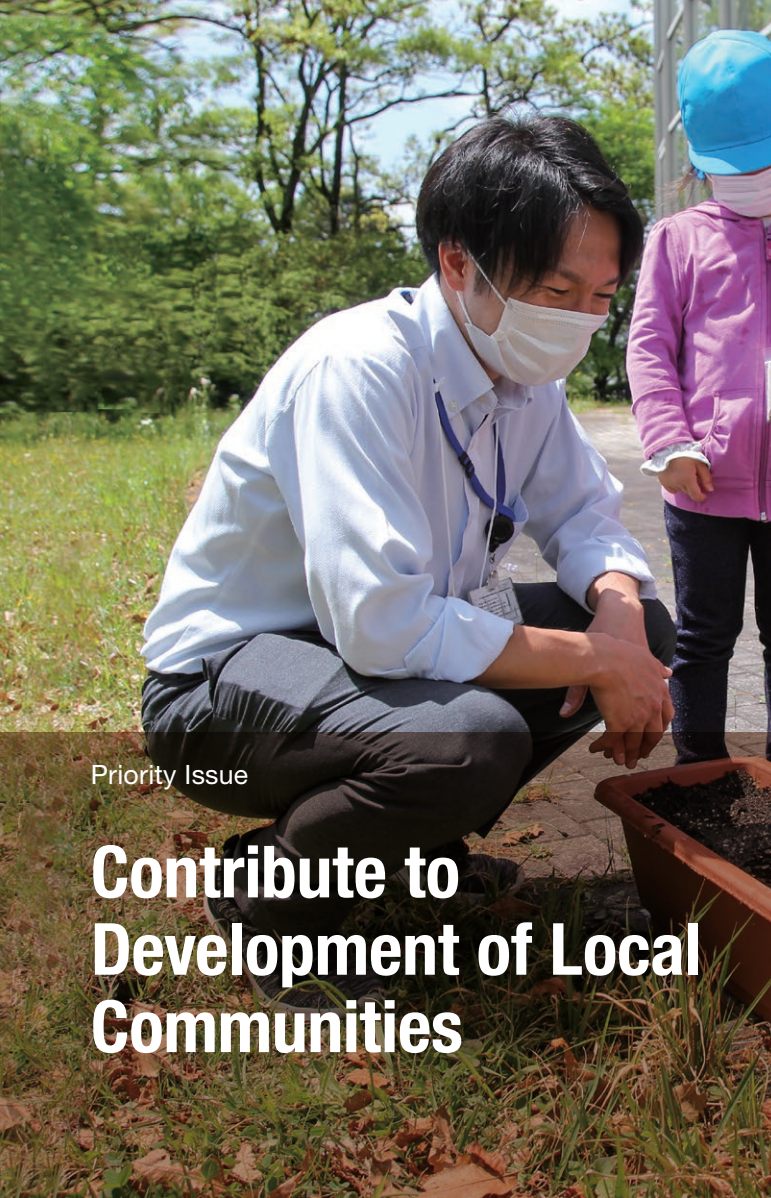
In addition, we provide managers with fire prevention management training to increase their awareness and promote understanding of the Fire Service Act and fire prevention management.



Fire prevention management training

Health and Safety Training System Diagram * Includes outside training

Aims/time	Personal development				Workplace creation	System building															
	Entry	Promotion	Specialized																		
Grade	Entry	Promotion	Specialized		Priority items	Company-wide advancement and follow-up initiatives															
Officials and managers		Seminar for new managers Seminar for new leaders	Training given when work changes	Foemen training*	Practical safety training	Practical safety training instructor development training	General life saving workshop*	General life saving instructor development training*	Training for earning various qualifications (health officers and others)*	Traffic safety education	Trainings unique to workplaces*	Self-care training	Line care training	RTP (Resource Training Program) training	SC (Safety Communication) circle activities	Risk assessment initiatives	Site health and safety diagnosis	Health and safety legal compliance checks	Factories Health and Safety Committees/meetings of persons in charge	Branch offices/management health and safety liaison councils	Nurse training
General employees	Training for persons joining the company at mid-period	Job Promotion Training																			
New employees	Training for persons joining the company																				



Priority Issue

Contribute to Development of Local Communities

P42 Contribute to development of local communities



To connect with people and support their mental and physical health, the Yazaki Group has endorsed activities for growing sunflowers from seeds originating from the area of the Great Hanshin Earthquake. In connection, we conducted an activity nationwide called "Yazaki Group Sunflower Growing Project." As part of this, at Y-City (Susono City, Shizuoka Prefecture), we cooperated with Yazaki Group Susono Preschool to engage in sunflower planting activities to bring comfort and smiles to local residents and employees.

Local communities provide a foundation for the continued survival of enterprises. As such, an enterprise's growth cannot be separated from the economic and social development of the local communities. Because we do business globally, the Yazaki Group is thankful to people in the many countries and regions that have supported us and enabled us to grow. Therefore, we strive to bring joy and happiness to people around the world by actively addressing problems faced by each country and region as we work to resolve those issues. We also strive to support the nurturing of children, who will be the drivers of future development in each country and region.

Relevant SDGs





Contribute to development of local communities

At the Yazaki Group, we emphasize the contribution to society through manufacturing and the contribution to the development of local communities in partnership with the local people living there. We listen to each community's challenges, expectations, and demands and then promote continuous activities and contribute to nurturing the next generation through our initiatives like the Yazaki Summer Camp.

Nurturing the Next Generation

Yazaki Summer Camp

As one of our activities that embody the Yazaki Group Corporate Policy, we have held a summer camp since 1977 to provide children, who are our future, with the opportunity for diverse experiences. The summer camp started from the idea of the then president (present honorary chairman). Since the time busy employees could spend with their children decreased at that time, he wanted to show his gratitude to employees by providing an experience that would serve as a wonderful memory for the children of employees. This camp has programs for the children of employees in Japan and from the overseas workplaces, and children from various countries and regions participate in the programs every year.

Particularly in the Overseas Summer Camps in the countries with overseas business sites for children of employees in Japan and Summer Camp in Japan for overseas children who are invited to Japan, children can experience different cultures and gain an understanding of diversity in society, culture, and customs, and expand their international perspectives. The camps also provide opportunities for children to make new friends and have new experiences while increasing their interest in protecting the global environment and deepening mutual understanding through international exchanges. The camps, through advance training sessions and the day of the event, also serves as a place to develop the leadership and communication skills of the employees who participate in the camp as instructors.

We partner with schools in the local communities, government agencies, and other bodies to put on these summer camps, so it is also an important opportunity to promote communication with stakeholders.

In fiscal year 2020, we gave first priority to lives of participating children, employees, and stakeholders and called off these camps from the perspective of prevention of the COVID-19 infections. These camps were also cancelled in fiscal year 2021.



Yazaki Summer Camp in Japan participants in July 2019

Supporting the Infrastructure of Local Communities

Yazaki Kizuna Foundation

The Yazaki Group engages in activities to support the sustainable development of local communities.

To illustrate, the Yazaki Kizuna Foundation, which was founded in 2018 through contributions from Yazaki Corporation, carries out activities to support the Independent State of Samoa, which manufactured wire harnesses for the Group until 2017. With the aim of promoting international mutual understanding and economic cooperation through international exchanges, the foundation began providing scholarships to students of the National University of Samoa in 2018. It has also provided grants since 2019 for vehicle purchases and facility enhancement to Women In Business Development Incorporated, which aims to develop the economy of rural areas in Samoa, and since 2021, it has provided grants to the Lakapi Samoa (formerly Samoa Rugby Union) to support their programs for training young athletes.

WEB | Yazaki Kizuna Foundation
<https://www.yazaki-kizuna.jp/en/>



Providing grants for the improvement of training environments to help foster young athletes who can compete on the world stage



Contribute to Development of Local Communities

Community Contribution Activities in Fiscal Year 2021

Giving Tomatoes to a Community Preschool

The Aomori factory (Kitatsugaru District, Aomori Prefecture) of our subsidiary Okuetsu Parts Co.,Ltd, a producer and seller of tomatoes and related products, has given roughly 10 kg of tomatoes to children of a local community preschool. First carried out in 2020, this was the second time we conducted the activity, which came from the idea of making preschool children happy through giving them delicious tomatoes. While we had originally planned to enable the preschool children to participate in picking the tomatoes, it was decided that picked tomatoes would be given instead in consideration of the spread of COVID-19.



Children at preschool being given tomatoes

Contributing to Rest Areas Through Jig Board Wood Waste

For the rest areas of its nearest train station, JR Iwanami Station, Yazaki Parts Co., Ltd. Susono Factory (Susono City, Shizuoka Prefecture) has provided floor boards and chairs that are made from the waste wooden jig boards used in the production of wire harnesses. Artworks made by special needs school graduates are also displayed in the rest areas, creating a space where users can enjoy the warm tone of the wood. We will continue to engage in projects that utilize wood waste to contribute to local communities and support social welfare.



Rest Area with artworks created from recycled wood waste

School Project in Collaboration with a Local University

From January to the end of February 2022, Yazaki Component Technology SRL. (Romania) conducted the Yazaki School Project for students of engineering at a university in the city of Arad. The project was provided for students who wish to improve their technical skill and knowledge in electronics to gain hands-on-experience, and it is expected to provide learning opportunities to help them build their careers in the local labor market. Engineers from Yazaki Component Technology SRL. acted as trainers in the project, and seven types of practical training were conducted, such as the measuring of the equipment used in the laboratory.



Students learning electronics

Supporting People with Disabilities Through PET Bottle Cap Collection and Donation

YAZAKI SERBIA D.O.O. (YSD) has supported NPO activities that raise funds for the purchase of orthopedic aids and medical equipment for people with disabilities through the recycling of collected PET bottle caps. Employees worked together while competing to collect the most bottle caps, and in a little less than three months, roughly 100 kg of caps were collected and donated to the cause. We will continue this activity to contribute to enhancing the living environment for people with disabilities and conserving the environment.



Collected PET bottle caps



Priority Issue

Strengthen the Global Environmental Management System

- P45 **Strengthen the global environmental management system**
- P47 **Mitigate and adapt to climate change**
- P50 **Prevent pollution**
- P50 **Conserve biodiversity**
- P51 **Closely manage harmful chemicals**
- P52 **Use resources effectively**
- P54 **Respond to water problems**
- P55 **Environmentally friendly design**

Yazaki Corporation, Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation are members of the Kano River Water System and Water Quality Conservation Council. We actively participate in various activities such as the Parent and Child Aquatic Life Survey for community elementary and junior high school students and their parents as well as the River Cleaning Project run by employees of committee member companies.

The Yazaki Group recognizes that preserving the global environment and its resources is a serious concern shared by all humankind. In line with our Fundamental Management Policy, we will strive to make the world a better place and work to enrich society through environmentally sound business activities and employee volunteerism.

The Yazaki Group aims to help resolve global problems and realize a sustainable society by reducing CO₂ emissions throughout the supply chain. This will be achieved by using resources effectively, strictly managing environmentally hazardous substances, and developing and offering environmentally friendly products and services.

Relevant SDGs



Strengthen the global environmental management system

The Yazaki Group carries out environmental conservation activities globally based on the Yazaki Global Environment Charter. We also build ISO 14001-based environmental management systems at sites in Japan and overseas, as well as to establish YAZAKI Green Purchasing Guidelines and work to reduce the environmental impact throughout the supply chain.

Yazaki Global Environment Charter (Established in 1997, partly revised in 2012)

Environmental Policy

The Yazaki Group recognizes that the preservation of the global environment and its resources is a serious concern shared by all humankind. In line with our Fundamental Management Policy, we will strive to make the world a better place and work to enrich our society through environmentally sound business activities and employee volunteerism.

Action Guidelines

1 Enhance environmental management

Raise environmental awareness among all employees and empower them as individuals to take responsible actions for environmental preservation.

2 Take action to prevent global warming

Reduce greenhouse gas emissions at the production process and through the contribution of energy-saving products.

3 Promote the efficient use of resources towards the formation of a recycling-based society

Utilize resources by promoting waste recycling and reduce discharges.

4 Manage and reduce environmentally hazardous substances

Improve the management of environmentally hazardous substances in the products and the production process.

5 Develop environmentally friendly products

Consider global warming, recycling, and environmentally hazardous substances when developing products.



Organization of the Action Guidelines

Message from the Head of the Environmental Division

Toward Realization of Carbon Neutrality by 2050

While the worldwide movement toward decarbonization is accelerating, major geopolitical shifts have made many energy-related risks increasingly apparent, as seen in the sharp rises in energy prices, blocking of energy supply routes, and the difficulty in breaking our dependence on fossil fuels. Rather than seeing this changing social situation as a business risk, the Yazaki Group recognizes it as an opportunity to increase corporate value and is striving together to achieve a decarbonized society.

For the reduction of CO₂, we have set the goal of achieving carbon neutrality by 2050 and have also formulated voluntary global targets to achieve by 2030 in accordance with the reduction targets of 45 countries and regions we operate in, which are based on the Paris Agreement and other obligations. To achieve these targets, we are making efforts that include our supply chain, such as introducing energy loss reduction and energy saving equipment at our sites and developing our own products that use renewable materials and biomaterials.



Toshihiro Ito

Managing Executive Officer
General Manager,
Quality Management Division
Yazaki Corporation



Organizational Structure for Environmental Management

At the Yazaki Group, we established and operate a global environmental management system to ensure that we meet the expectations for environmental conservation from stakeholders worldwide. The Yazaki Environmental Committee, the decision-making body for environmental management, meets every year in May to discuss the direction of the environmental initiatives in Japan and overseas. We also hold a special decision-making meeting to rapidly respond to sudden changes in social trends. People who are responsible for environmental issues and people in charge of practical environmental operations in each region around the world coordinate the direction of future initiatives through the Global Environmental Committee. Specifically, we share priority themes that need to be addressed at a global level, such as reduction of CO₂ emissions and management of chemical substances in products, in addition to discussing the responses to issues in order to promote environmental conservation activities throughout the supply chain while encouraging interregional collaboration. The Yazaki Group has established local environmental management systems in each region. In Japan, to promote our efforts in each field, we have established the Environment Product Design Assessment Committee, the Production Environment Committee, and the Non-production Environment Committee to promote company-wide initiatives.

Environmental Education

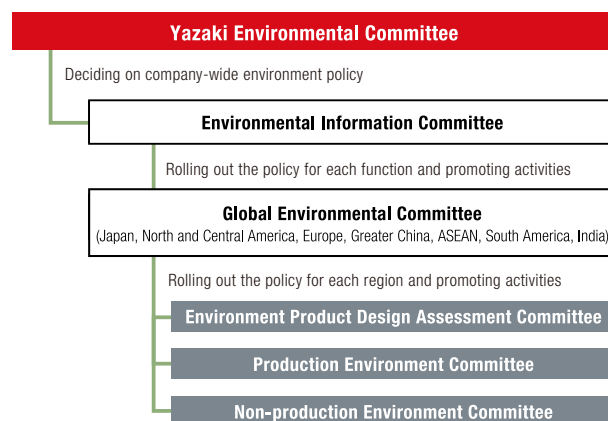
In an effort to develop people who can think and carry out environmental efforts on their own, we provide company-wide training and specialized environmental training based on the training system of the Yazaki Group.

Company-wide training is geared to all new employees, persons promoted to specific grades, and those assigned to overseas sites. The training is provided to deepen the employee understanding of the significance of environmental conservation and the environmental conservation initiatives of the Yazaki Group. We also provide specialized environmental training for employees who supervise and engage in environmental work with the aim of ensuring the skills needed for specialized work related to the environment. This training includes education on environmental laws and regulations and education for ISO 14001 internal auditors. We additionally implement tests and other methods to confirm the degree of understanding after training and take the initiative to promote a firm understanding of the training by participants.

In fiscal year 2021, in addition to working to enhance the online training environment in light of the impact of the COVID-19 pandemic, we introduced e-learning for the sales

and R&D departments, establishing a system to suit the needs of the work of each employee. We will work to further expand this system in the future.

Global Organizational Structure of the Environmental Committee



Thorough Compliance with Environmental Laws and Regulations

The Yazaki Group established a system of thorough environmental compliance that includes compliance with all environmental laws, regulations, and ordinances. We strengthen that environmental compliance system by checking the structures and the operational status through periodic audits while improving the structures in accordance with audit results, which ties into our compliance with environmental laws and regulations.

We conduct cross-audits as part of the environmental audits of factories in Japan. During the cross-audits, the people responsible for practical operations check each other's sites. The people responsible for practical operations find points in need of improvement and discuss how to make those improvements with each other, which strengthens the check function and capacity for improvement. In fiscal year 2021, having improved the skills of persons in charge of environmental cross-audits, we conducted checks with higher accuracy than before, thus contributing to the further improvement of environmental conservation activities at our sites.

We are gradually introducing this cross-audit approach at our sites globally, including in China, Thailand, and Europe.



Cross-audit being conducted in Japan

Mitigate and adapt to climate change

To prevent the global warming that allegedly causes climate change, the Yazaki Group is working to reduce CO₂ emissions at all sites through energy saving measures, and we are contributing to reductions in CO₂ at a global level by developing and providing environmentally friendly products.

Initiatives to Realize a Decarbonized Society

The Yazaki Group regards initiatives for the realization of a decarbonized society as a social responsibility and an opportunity to improve corporate value. We have established a global response organization with the cooperation of all production, sales, development, management, and purchasing divisions to tackle this issue as a Group, and we are proactively engaging in activities toward the realization of a decarbonized society.

Following the holding of the Leaders' Summit on Climate and the UN Climate Change Conference (COP26) in 2021, countries throughout the world have strengthened greenhouse gas reduction targets to achieve carbon neutrality. At the Yazaki Group, we also aim to realize carbon neutrality by 2050 and has set voluntary targets for 2030 based on the CO₂ reduction targets of the 45 countries and regions we operate in.

In addition to targets for the Scope 1 and 2* emissions that are within our domain, we have also set new targets to achieve by 2030 for the Scope 3* emissions that involve parties outside our domain, and we are accelerating efforts to expand activities across the entire supply chain to achieve carbon neutrality.

CO₂ Reduction Targets of the Yazaki Group

FY 2050: Carbon neutrality
 FY 2030: **36% reduction** in Scope 1 and 2 emissions compared to fiscal year 2017
 Scope 3: **15% reduction** compared to the reference value

Moreover, in the event that customers request a higher level of CO₂ reduction requirements, we as Yazaki Group will make concerted efforts to meet such customer targets where possible through cooperating with all regions including supply base.

* Scope 1: Direct greenhouse gas emissions of the company from its industrial processes or use of fuel

Scope 2: Indirect greenhouse gas emission from the use of electricity, heat, and steam supplied by another company

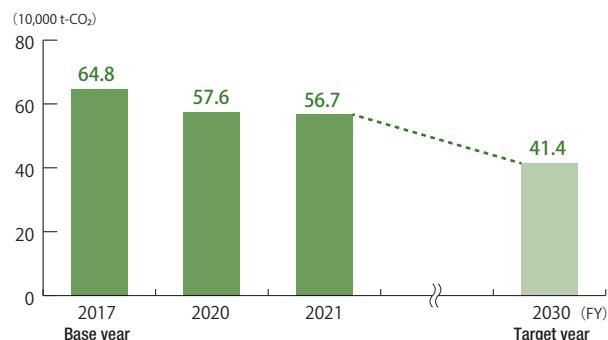
Scope 3: Greenhouse gas emissions by other companies related to the activities of the business other than Scope 1 and Scope 2 emissions

We have produced a “Key Point List for Reduction Measures” that includes over 400 CO₂ reduction plans, such as introducing energy loss reduction and energy saving equipment, aiming to roll out initiatives across our global sites horizontally. We are also working to review production methods and develop energy saving facilities.

In addition, we are striving to introduce new technologies and expand the use of low CO₂ materials through efforts such as reducing the size and weight of our products and designing environmentally friendly products that utilize renewable and biomass materials.

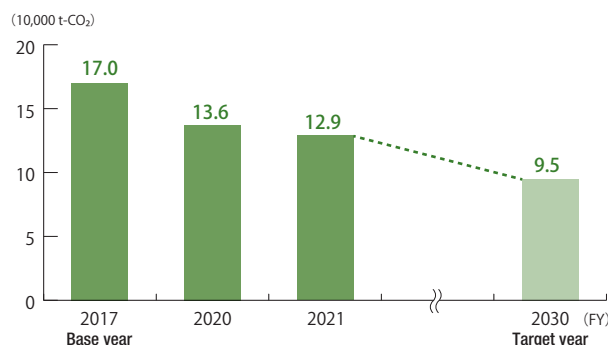
Furthermore, to reduce CO₂ emissions throughout the entire supply chain, we will expand the scope of our efforts through promoting activities such as the visualization of lifecycle CO₂ emissions, examination of optimal logistics through cooperation with suppliers, development of environmentally friendly products, and consideration of business that contributes to decarbonization.

Change in CO₂ Emissions (Scope 1 and 2, Global)



* The results for fiscal year 2020 were reviewed.

Change in CO₂ Emissions (Scope 1 and 2, Japan)



* The results for fiscal year 2020 were reviewed.



Topics

Reducing Energy Loss with Air Leak Detectors

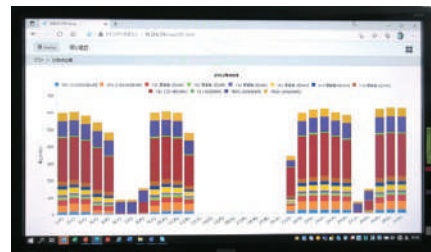
The Yazaki Group is engaging in activities to reduce energy loss through the use of air leak detectors. By pointing the camera of the air leak detector toward manufacturing equipment or other such objects, the device displays leak locations on a monitor in a similar way to thermography, allowing the sources of energy loss to be easily identified. In fiscal year 2021, we began a test using air leak detectors at 55 sites in Japan, after which 835 places on pipes and joints were repaired. We will produce work standards based on the results and expand the use of air leak detectors globally.



Visualization of Energy Consumption

In July 2021, the Yazaki Group established the Power Measurement Working Group for electricity usage measurement to make it possible to visualize the energy consumption of individual work processes. While electricity consumption has been measured on a per-building basis, through the installation of electricity measurement devices and communication units for each work process, we are now able to measure power consumption for some processes individually and monitor it in real time.

Measurement comparison graph



Based on the identified data, we analyze each process and time period for wastage and variances to make improvements to reduce energy consumption. The data also enables us to better identify energy consumption per product.

Use of Renewable Energy at Yazaki Morocco Meknes S.A.

Among all forms of renewable energy, Morocco is especially suited to the generation of solar energy because it receives over 3,000 hours of sunlight per year. Our group company in Morocco, Yazaki Morocco Meknes S.A., installed 1,296 solar panels upon the establishment of its new site. This solar power generation system is expected to deliver around 1.1 GWh of electricity annually. It provides for roughly 38% of the company's annual energy consumption and is expected to reduce CO₂ emissions by approximately 343 tons per year.



Voice

Europe Sustainability and EHG (Environment, Health and Safety) Division

The issue of sustainability, which includes climate change, is a matter of serious concern to our world. The automotive industry plays an important role in changing the status, and the European Union (EU) is taking the lead in defining requirements to assure that change happens. To face these challenges of climate change and ensure that we are well positioned while maintaining competitiveness, Yazaki Group in Europe is committed to growth and to products that are the “best in the class” and ensure a sustainable future for stakeholders.



Jorge Monteiro

Director, Sustainability & EHS
Yazaki Europe Ltd.

Strengthen the Global Environmental Management System

Yazaki Products' Contribution to Reducing CO₂

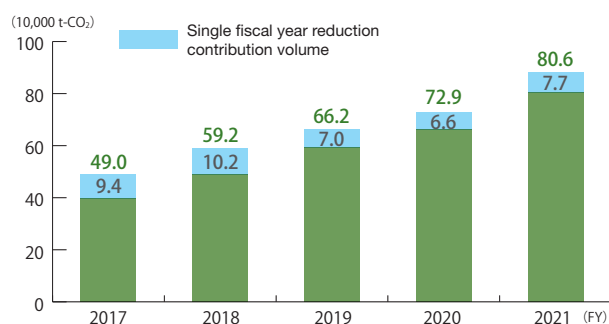
Solar equipment and air-conditioning appliances using wood pellets contribute to reducing CO₂ emissions. The *Bio-Aroace* wood pellet-fired absorption chiller-heater delivers an annual reduction of about 30 tons of CO₂ emissions per unit compared with the use of fossil fuels when the volume of CO₂ absorption during the growth of the wood that is used as the raw material for the pellets is taken into account.

Also, in-vehicle safety and service systems, such as digital tachographs, not only contribute to the management of driving efficiency and safety, but also lead to improvements in fuel economy, thus contributing to reducing CO₂ emissions. Tachographs installed on heavy-duty trucks for legal compliance have previously not been eligible under the J-Credit Scheme.* However, based on our belief that digital tachographs would be recognized because they encourage lower fuel consumption and can reduce emissions, we successfully applied to the relevant authorities to have them added to the scheme's eligible items.

These products contributed to reducing CO₂ emissions by 77,000 tons in fiscal year 2021 and have reduced CO₂ emissions by a cumulative total of 806,000 tons since fiscal year 2011.

* Scheme under which the government of Japan certifies the amount of greenhouse gas emissions reduced or absorbed as credit

Change in CO₂ Reduction Contribution by In-house products (Global, Cumulative Amount Since FY 2011)



* Since numbers are rounded off, individual numbers and totals may not match.

Contribution to Reduction of CO₂ Emissions by Product in FY 2021 (10,000 t-CO₂)

Digital tachograph	7.349
Driving recorder with digital tachograph function	0.193
Taximeter with digital tachograph function	0.097
Solar equipment	0.019
Wood pellet-powered machines	0.006
Environmental recycling business products	0.010

Promoting Green Logistics

As initiatives to achieve carbon neutrality, the Yazaki Group in Japan is working to reduce CO₂ emissions at its sites and promote activities in its logistics division. In accordance with the Act on Rationalization of Energy Use, our specified consignors, Yazaki Parts Co., Ltd. and Yazaki Energy System Corporation, and similarly group companies that are not specified consignors, are working to reduce energy consumption intensity of transportation with cooperative transportation, transportation route consolidation, and modal shifts with the goal of a 1% decrease from the previous fiscal year.

To illustrate, in the gas equipment business, we have been conducting a modal shift demonstration test in which 8% of the transportation volume of our logistics center in the Hokkaido area has been changed from truck to railway transportation.

Despite engaging in this initiative to reduce CO₂ emissions, issues such as production disruptions in our supply chain caused by the COVID-19 pandemic resulted in an increase in CO₂ emissions from logistics operations* in Japan in fiscal year 2021 of approximately 14% (18,000 tons) compared to the previous fiscal year. CO₂ emissions per transportation volume (ton-kilometer) were 115 g-CO₂ / ton-kilometer, a 4.5% increase from the previous fiscal year.

* Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation



Products loaded in a rail container. Using rail containers enables volumes that were previously split into multiple loads to be transported in a single load.



Prevent pollution

The prevention of environmental pollution is the very minimum responsibility in our manufacturing activities. We recognize it as a significant risk factor and set the voluntary regulation value stricter than those provided by laws and regulations, and we maintain thorough control.

Local Pollution Prevention

Water and air quality problems, noise, and vibrations can be uncomfortable for local communities even as we comply with the regulations set by laws and local ordinances. We have therefore set and periodically monitor with voluntary levels that are stricter than those stipulated in laws and regulations for the discharged water, exhaust gas, and noise and vibrations of factories, and we confirm the status of compliance.

As our own initiative, we have produced maps that specify locations that present a risk to the public, such as those for chemical storage facilities and equipment with high noise levels, and we are also carrying out measures including installing dikes to lower risk and introducing low-noise equipment.

To respond to incidents such as hazardous substance leaks, we have installed automatic drain gates and have also provided emergency equipment such as oil fences and sandbags. Emergency drills are also conducted at least once

per year to verify the effectiveness of our response procedures. In fiscal year 2021, there were no incidents of pollutant leaks or other serious incidents.



Training drill for placing sandbags to prevent run-off in the event that hazardous substances leak into drainage channels

Conserve biodiversity

The conservation of biodiversity is an issue requiring attention on a global scale. The Yazaki Group works in cooperation with communities in taking action for biodiversity conservation and will continue to help to resolve global problems.

Biodiversity Conservation Efforts in Collaboration with the Community

The Yazaki Group conducts biodiversity awareness activities and pays attention to ecosystems through such examples as planting tree species indigenous to the regions of the establishment of new sites and creating biotopes within the premises of our facilities. We work together with nearby communities in forest maintenance and the eradication of exotic plant species at sites around the world.

As part of these efforts, since 2009, Tottori Parts Co., Ltd. has participated in the volunteer weed removal activities for the Tottori Sand Dunes, which have been impacted by exotic plant species. In fiscal year 2021, after thoroughly taking steps to prevent the spread of COVID-19, 36 employees

and their family members participated in the weed removal program and activities to clean the environment.



Removal of exotic plant species from the Tottori Sand Dunes

Closely manage harmful chemicals

The Yazaki Group operates systems worldwide to ensure compliance with the laws and regulations related to the chemical substances in each country and to meet customer requests for the thorough management of chemicals. We demand that suppliers ensure that prohibited chemicals are not used in our products.

Managing Chemicals in Products

The Yazaki Group collects information on the revisions and enforcement of laws and regulations in each country and is ready to respond promptly to cases where chemical substances may be regulated in the future.

In fiscal year 2021, we selected alternative chemicals for those that are regulated under the EU REACH Regulation*¹ and POPs Convention.*² We will successively make a transition to these chemicals in accordance with the mid-term reduction activity plan.

*1 A regulation of the European Union's on the registration, evaluation, authorization, and restriction of chemicals

*2 The Stockholm Convention on Persistent Organic Pollutants

are required to submit a report*⁴ in Japan and are subject to PRTR Law*⁵ regulations. The emissions of designated chemical substances in fiscal year 2021 totaled 6.7 tons, and the transfer amount was 2.6 tons.

*1 Of the particulate matter suspended in the atmosphere, those with a particle diameter of 10 μm or smaller, including those found in the exhaust from diesel vehicles and the soot emitted from factories

*2 The general term for matter created when nitrogen oxides and hydrocarbons in the smoke emitted from automobiles, factories, and other sources come into contact with the sun's UV rays and a photochemical reaction occurs

*3 Susono Factory, Ohama Factory, Shimada Factory, Kan Kogyo, and Cable Technica

*4 Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, Tenryu Factory, and Kan Kogyo

*5 A law related to identify the emissions of specific chemical substances released into the environment and to promote improvements in the management of the substances

Reducing and Managing Chemical Emissions

The Yazaki Group in Japan makes design changes and production process improvements to reduce emissions of volatile organic compounds (VOCs) that generate suspended particulate matter*¹ and photochemical oxidants*² that cause air pollution. Major initiatives include reducing VOC use by switching to VOC-free cleaning solutions for jigs and equipment and minimizing coated areas, as well as reusing previously used solvents. In fiscal year 2021, VOC emissions for applicable sites*³ in Japan were 93.1% compared with the previous fiscal year.

Additionally, we are identifying emissions of designated chemical substances and their transfer amounts at sites that

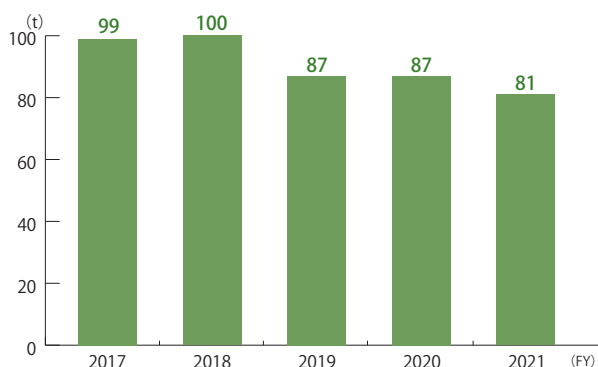
Appropriate Disposal of PCB Waste

The Yazaki Group in Japan takes steps for the early disposal of PCB (polychlorinated biphenyl)* waste within the domestic Yazaki Group before the legal deadline set forth in the Act on Special Measures Concerning the Promotion Proper Treatment of PCB Waste. At sites storing PCB waste, we appoint persons responsible for preventing loss, damage, or leakage by locking storage sites, conducting regular inspections, and implementing earthquake countermeasures.

In fiscal year 2021, we confirmed the status of the 10 PCB waste containers that we currently have in storage, and no faults such as leaks were identified. We plan to dispose of these 10 containers in fiscal year 2022 and thereafter.

* Previously used as insulating oil for electric equipment, including transformers and capacitors. However, its manufacture and import have been prohibited since 1975 because the material was found to be harmful to human health and the environment.

Change in VOC Emissions (Sites in Japan*³)





Use resources effectively

As the global population grows and economies develop, the risk of resource depletion increases. The effective use of resources is a major issue. Based on the 5R* concept, the Yazaki Group is working to build a resource recycling society by reducing the weight and size of products to save resources, promoting the development of products that utilize wood waste and recycled materials, reducing loss in manufacturing processes, and reducing the use of plastics for packaging materials.

* Reduce / Reuse / Recycle / Refuse / Repair

Activities to Reduce the Total Amount of Waste

The Yazaki Group works to reduce the total amount of discharge*¹ through activities that include reducing loss in the manufacturing process, promoting recycling, and further subdividing waste separation based on the 5R concept. We establish goals to improve our recycling rate and reduce the amount of waste*² in line with the conditions of each country and region and are moving forward with these efforts.

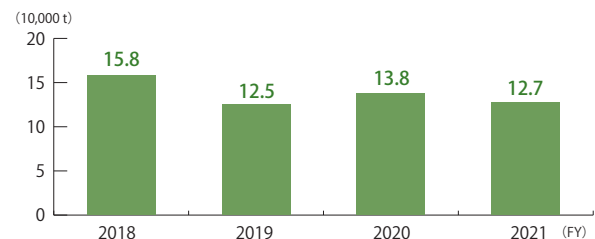
In fiscal year 2021, the total amount of discharge by the global Yazaki Group was 127,000 tons, a reduction of 31,000 tons compared to fiscal year 2018. We aim to reduce waste at all sites in Japan by 10% by fiscal year 2030 compared with fiscal year 2018 and are making efforts toward this target. In fiscal year 2021, the total amount of waste was 4,610 tons, a reduction of 9.1% compared with fiscal year 2018 owing to measures such as reducing the amount of in-process defects and reusing jig boards as well as lower production volume due to the impact of the COVID-19 pandemic.

To respond to the global issue of plastic waste, we are working to reduce single-use (disposable) plastics used for packing products. We are also engaging in activities globally to further reduce waste, such as reviewing our packaging methods and promoting the reuse of polyethylene bags used in our production processes.

*¹ Unnecessary things generated at factories. They are classified into waste and valuables.

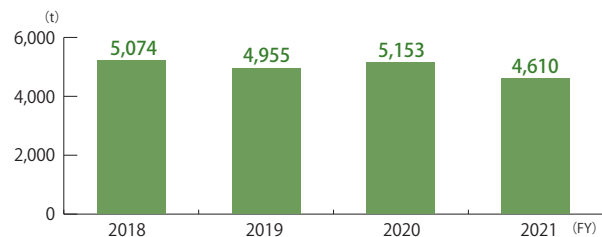
*² Among discharge, those other than valuables including general waste such as bulky trash and waste oil and industrial waste

Change in the Amount of Discharge (Global)



* The results in fiscal year 2018, 2019, and 2020 were reviewed.

Change in the Amount of Waste (Japan)



* The results in fiscal year 2018 and 2020 were reviewed.

Topics

Reducing Single-use Plastics

To reduce single-use plastics at our factories in Japan, such as those for protecting products during the work processes or packaging for shipping, each site selects their own themes from the perspectives of stopping, reducing, and recovery (reuse) and is making efforts to reduce usage.

In fiscal year 2021, 11 factories carried out initiatives that reduced single-use plastics by 3,307 kg for the year.



Stop

Discontinued the use of protective polyethylene bags during fine weather (Effect: 508 kg/year)



Reduce

Reduced the number of wrapping layers used to prevent bleaching due to ultraviolet rays (Effect: 544 kg/year)



Recover

Collection and reuse of polyethylene bags used for transporting goods between factories (Effect: 300 kg/year)

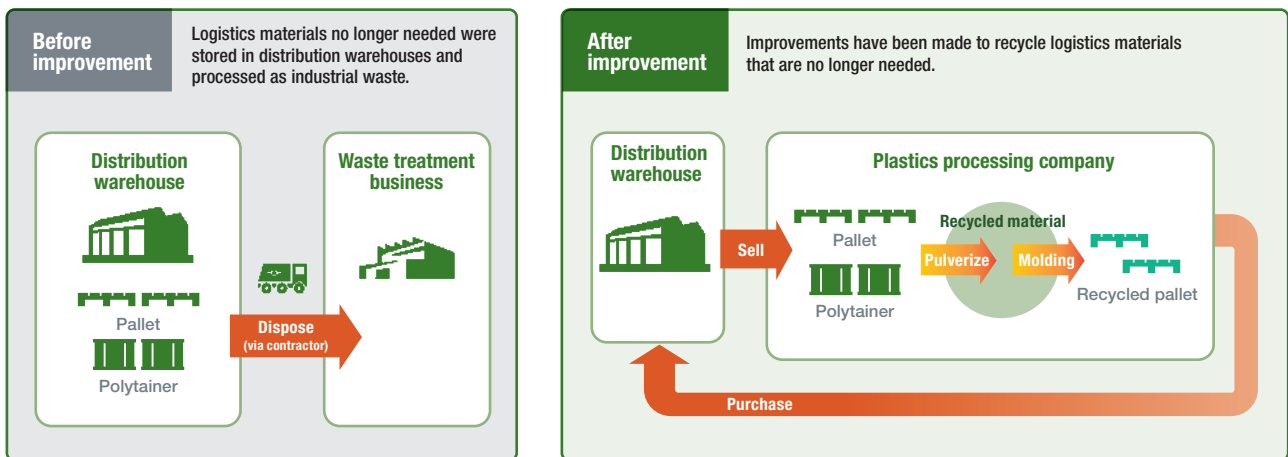
Strengthen the Global Environmental Management System

Reusing Products and Using Recycled Materials

The Yazaki Group works on reusing and recycling for reducing plastic waste. We use plastic Polytainer containers and pallets in the transport of components and products, but only dispose of those that break after the longest-possible repeated use.

For example, Sho Unyu, Inc., a Yazaki Group shipping company, collects Polytainer containers and pallets for disposal, crushes them, and uses them for recycled plastic pallets. Such recycled use of plastics enabled us to reduce about 140 tons of waste in Japan in fiscal year 2021.

Plastic Polytainer Container and Pallet Recycling System



Effect

Waste Reduction of Polytainer Containers and Pallets

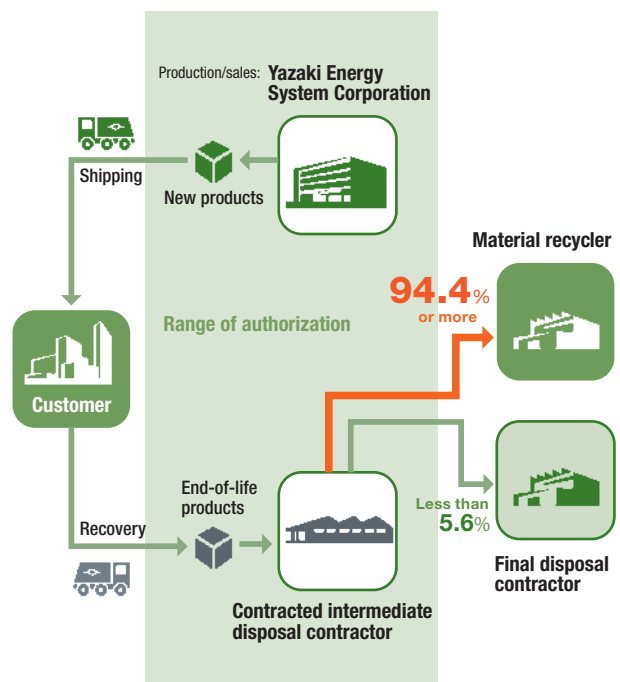
140 t/year = Polytainer 118 t/year + Pallets 22 t/year
⇒ Reduced amount is recycled and used.

Reducing the Environmental Impact of End-of-life Products

The Yazaki Group recovers, reuses, and recycles used electric wires, wooden drums, gas meters, absorption solutions from absorption chiller-heaters, and more for the effective use of its resources. We share information within the Group on examples of good practices at each site to reduce waste and will push to disseminate these reduction efforts throughout the Yazaki Group.

Under the Wide-area Certification System,* the Hamamatsu Factory of Yazaki Energy System Corporation (Hamamatsu City, Shizuoka Prefecture) recovers Aroace absorption chiller-heaters when they can no longer be used, and reuses and recycles their components. By separating and reusing the steel plates that make up the product body, the copper tubes that make up the heat exchangers, and the absorption solution, we recycled 94.4% of these products by weight in fiscal year 2021.

Recovery of Air-conditioning Equipment under the Wide-area Certification System



* A system designated to enable manufacturers authorized by the Minister of the Environment to collect their own products that have been discarded over a wide area (two or more prefectures) so that they can be appropriately processed and recycled



Respond to water problems

By 2050, about half of the world's population will experience the effects of water stress* from the impact of issues such as population growth and climate change. The Yazaki Group strives to minimize water use by recycling and conserving water and practices stronger management of factory water discharges. Thus, we are protecting water resources.

* Inconvenience in everyday life as the amount of water usable per person becomes less than 1,700 m³ a year

Initiatives with Water Risks

We are continuing our efforts to reduce water consumption at production sites in Japan while we implement efforts that enable our management systems to prevent water pollution from discharged water. In fiscal year 2021, we participated in a seminar organized by the Best Practices Workshop of the Water Project, an initiative sponsored by the Ministry of the Environment. In the workshop, companies and other organizations share best practices regarding water. The workshop provides an opportunity for each participant to learn ways of improving their efforts, and we participated with the aim of sharing information to enhance our own initiatives.

In fiscal year 2021, we again checked our management system for hazardous substances and the management status of workplaces handling hazardous substances*¹ used in the plating of metal terminals composing wire harnesses. We share the issues that are found and details on improvements with other sites, which lead to reducing the risk of water quality contamination throughout the entire Yazaki Group.

Globally, water risks are recognized at each site, and we work on the issue from two perspectives of water amounts and quality. In 2020, we conducted an evaluation using Aqeduct*² and identified sites with high water risks. We continuously implement measures for these sites to reduce water risks.

*1 Substances that may harm human health and the environment as stipulated in the Water Pollution Prevention Act

*2 A water risk assessment tool developed by the World Resources Institute (WRI)

Initiatives to Conserve Water Resources

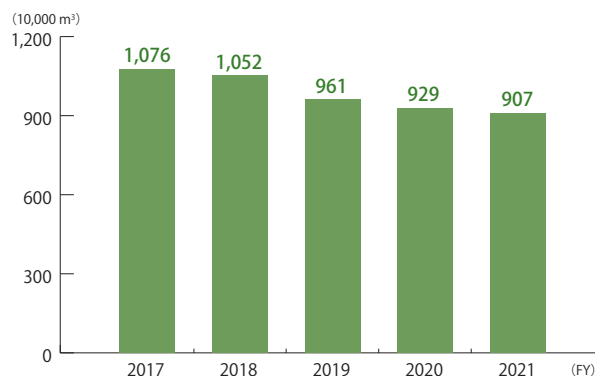
The manufacture of electric wires, one of the Yazaki Group's representative products, and the manufacture of resin components for our wire harnesses use a lot of water for cooling and other processes. The Yazaki Group sets voluntary goals for water usage reduction and improvement in the quality of discharged water and conducts initiatives tailored to each country and region.

We effectively utilize water resources to reduce our water consumption, implementing measures at each site such as

regularly inspecting cooling water systems to prevent leaks, effectively utilizing rainwater, and using drainage water from cooling towers for spraying over the roofs.

As a result of these efforts, in fiscal year 2021, water consumption was 9.07 million m³ globally, 97.6% compared to the previous fiscal year.

Change in Water Consumption (Global)



* The results in fiscal year 2017, 2018, 2019, and 2020 were reviewed.

Topics

Initiatives for Reducing Water Resource Consumption

To reduce water resource consumption in its factory, Tianjin Yazaki Automotive Parts Co., Ltd. (China) has conducted training on saving water and made efforts such as reducing tap water pressure and reusing water from rinsing vegetables to clean kitchen floors after removing any waste. These initiatives led to a total annual reduction in water resource consumption of 1,433 tons.





Environmentally friendly design

The Yazaki Group established original certification standards for environmentally friendly design. All development divisions strive to reduce the environmental impact of products from the design stage and to enhance the added value of products. We additionally evaluate the environmental impact of our products across their life cycles (the stages of production and use*1) using LCA*2 techniques. Those products that meet internal certification standards are certified as environmentally friendly products.

*1 Applies to automotive components

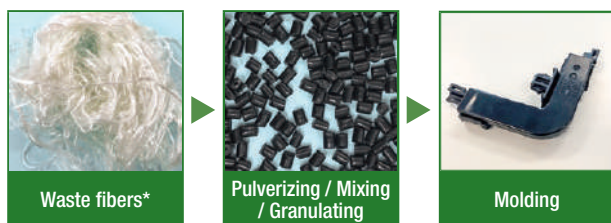
*2 Life Cycle Assessment: assessment of a product's environmental impact

Development of Protectors That Utilize Recycled Polyamide Resin

Protectors are sometimes attached to wire harnesses to prevent wires from being torn off due to friction caused by vibrations.

We have developed new protectors made from a recycled polyamide resin material that has been produced from waste fiber generated in the production process of air bag base fabric.

As our source of waste fibers used is limited to those generated at the textiles factory of the material manufacturer of the fiber for air bag, their composition is clearly understood, and they contain no impurities. The material is therefore largely without contaminants and has little variation in its physical properties, which are some of the main issues of concern when using recycled resins in general. We expect the use of this material will lead to reduction in CO₂ of approximately 20% compared to conventional polyamide resin.



* Uses of waste fibers: Reduces CO₂ emissions in resource mining, pellet production, and transportation


Development of the Hot Water Circulation Type ARORIZER

ARORIZER is a forced vaporization device for providing continuous and stable LP gas supply for commercial kitchens and gas air conditioning facilities that require large volumes of gas.

The conventional, mainstream electric types require the vaporization heat source to run constantly. In contrast, hot water circulation types are equipped with a function that automatically controls the operation of the heat source in accordance with the amount of gas used. This enables them to reduce energy costs by 55% and CO₂ by 70% compared to electric types with the equivalent vaporization capability.

Also, if an electric type is switched to a hot water circulation type, approximately 93kg of waste and 120 liters of hot water can be saved per machine. In addition, by adopting a heat exchanger that does not use a hot water tank, it will be 85% smaller in volume and 68% lighter.

Specifications

<p>Hot water circulation type (Compared to electric types)</p> <p>Hot water circulation type (VP-S100W)</p> 	
Energy cost (fuel cost)	-212,361 yen (-55%)
CO ₂ emissions	-4,412 kg/year (-70%)
Cubic measurement	-0.36 m ³ (-85%)
Weight	-93 kg (-68%)



Priority Issue

Enhance Global Governance and Internal Control

- P57 **Ensure management soundness, efficiency, and transparency**
- P59 **Strengthen risk management and BCM**
- P61 **Practice thorough compliance**
- P62 **Prevent all forms of corruption**
- P63 **Respect human rights**

The establishment of a sound foundation for management is vital for the sustainable growth of a company.

With an eye on becoming “A Corporation in Step with the World” and “A Corporation Needed by Society” as outlined in the Yazaki Group Corporate Policy, the Yazaki Group continuously works to establish a global governance system that is sound, efficient, and transparent and strengthens its internal controls in order to increase its corporate value by building positive relationships through an emphasis on dialogs with stakeholders.

Relevant SDGs



Ensure management soundness, efficiency, and transparency

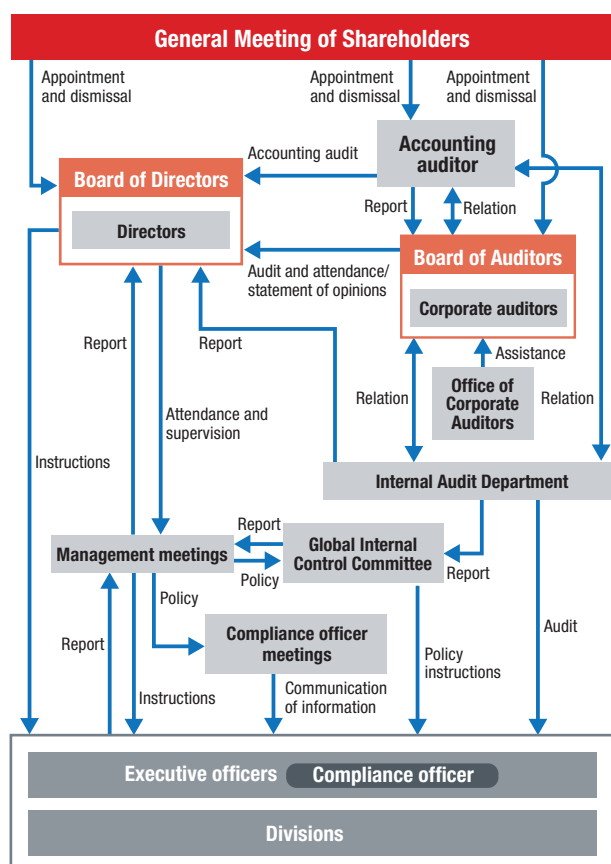
The Yazaki Group is building sound relationships with its stakeholders and fulfilling its social responsibilities as a company in order to realize the Yazaki Group Corporate Policy, as it endeavors to strengthen its corporate governance with the aims of achieving sustainable growth and increasing corporate value.

System of Corporate Governance

We are a company with a board of auditors and have established management meetings in addition to Board of Directors and Board of Corporate Auditors.

In principle, we hold meetings of the board of directors once a month (as well as meetings on an ad hoc basis) to make decisions on statutory matters and material matters concerning management and to oversee the execution of duties by directors. To ensure rapid decision-making and the execution of operations, matters to be discussed by the board of directors are specifically set forth in the Board of Directors Regulations and the submission standards. For

Diagram of the Corporate Governance System



example, the annual budget and matters related to assets or funds above a certain threshold are subject to deliberations and resolutions of the board of directors.

Meetings of the board of auditors are attended by all corporate auditors of the company (one full-time corporate auditor and two outside corporate auditors) and chaired by the full-time corporate auditor. In principle, such meetings are held monthly, at which time members deliberate on the appropriateness of the agenda at meetings of the board of directors and the status of the execution of duties by executive directors and others.

We have also established management meetings. In principle, they are held once per month, at which time members deliberate and make decisions on prior deliberations undertaken with respect to agenda items submitted to the board of directors and other material matters related to group operations and businesses.

To ensure that the roles and responsibilities expected of directors, auditors, and executive officers are properly fulfilled, we provide training to deepen their understanding of their roles and responsibilities and allow them to acquire the necessary knowledge.

We also promote the fortification of governance through meetings of the board of directors for subsidiaries located in Japan and overseas. In fiscal year 2021, we initiated action to improve the effectiveness of board of directors of our sub-

Composition of Key Management Committee Bodies

Key committee body	Frequency of meetings	Chaired by	Members
Board of Directors	Monthly	President	• Directors
Board of Auditors	Monthly	Full-Time Corporate Auditor	• Full-Time Corporate Auditor • Outside Corporate Auditors
Management Meetings	Monthly	President	• Directors • Full-Time Corporate Auditor • Executive Officers and others



subsidiaries by utilizing explanatory materials for agenda items to be submitted to the boards of directors' meetings of our domestic subsidiaries, and by establishing a selection standard for directors and corporate auditors to be dispatched to subsidiaries. In addition, to further enhance our corporate governance system, we reorganized the Global Internal Control Committee, enabling meetings to be operated globally and attended by the chairpersons and presidents of the headquarters of all regions.

We periodically review internal decision-making rules (regulations governing authority) that are deemed important in the governance of the Yazaki Group and carry out improvements.

To ensure thorough compliance and the implementation of these decision-making rules, we have produced and are utilizing e-learning content. In fiscal year 2021, we conducted workshops for newly-appointed department heads and leaders, with a total of 199 people attending. In addition, we introduced an IT system for electronic applications and decision-making to streamline procedures and strengthen document management, making it possible for a series of processes to be handled by the system.

Global Internal Control Committee, whereupon important management risks and specific measures are discussed. As the highest body for decision-making for global internal control, the Global Internal Control Committee held meetings twice in fiscal year 2021, reporting and deliberating on various global issues and risks.

In addition to initiatives carried out on a global level, we have also promoted the fortification of internal controls on a regional level through efforts spearheaded by our regional headquarters. We have been establishing a system for risk management and the promotion of internal controls in each region since fiscal year 2018 and are currently implementing a PDCA cycle (appropriate ascertainment, control, monitoring, and remediation of risks) for activities, deepening initiatives in each region, and expanding good practices to other regions. We also established an Internal Control Committee in Japan in fiscal year 2021.

In fiscal year 2021, meetings of the Internal Control Committees were generally held in each region on an online basis, and our headquarters in Japan actively participated remotely.

Strengthening Internal Controls

The Global Internal Control Committee, which is chaired by the president, monitors and evaluates the effectiveness of internal controls, including with respect to compliance within the Yazaki Group and risk management as it relates to our CSR and BCP and to information security.

Material matters as concerns internal controls are reported semiannually by our management divisions and the Internal Control Committee for each region to the

Global Internal Control Committee Important Agenda Items (FY 2021)

- 1. Compliance**
 - Regional legal control systems and activities
- 2. Internal Audits**
 - Global structure for internal audit functions and activities
 - Global internal audit reports
- 3. CSR**
 - Strengthening initiatives for human rights (Human rights due diligence at our company and in the supply chain)

Structure for the Promotion of Internal Controls



Strengthen risk management and BCM

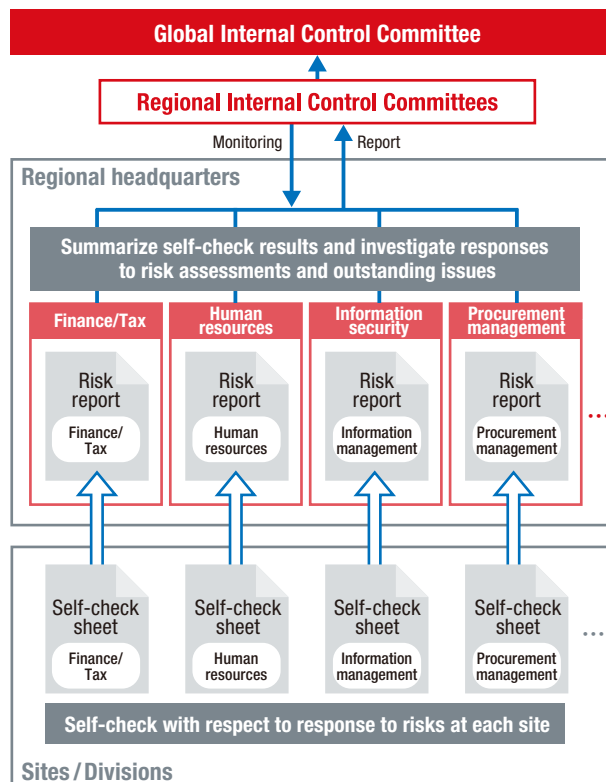
The Yazaki Group implements the Plan-Do-Check-Action (PDCA) cycle to appropriately manage various risks associated with its business activities and takes measures to ensure the smooth continuation or restoration of business operations in the event of a large-scale disaster.

Risk Management

The risks surrounding companies are changing on a daily basis and need to be addressed flexibly. In fiscal year 2021, the Yazaki Group continued to promote the use of the PDCA cycle for risk management in order to develop suitable measures to address all risks surrounding the Company and group companies in accordance with their respective nature and level of importance. At meetings of the Global Internal Control Committee, which is chaired by the president, the functional divisions deliberated on risk assessment results and countermeasure proposals, implementing initiatives to reduce risk company-wide.

At each site, the persons in charge and the head of the worksites conduct inspections, and the results are reported to the Internal Control Committee in each region after the regional headquarters review for any outstanding issues and examine possible measures. The Internal Control Committee for each region examines any major risks that are present and deliberates on the appropriateness and sufficiency of responses to these risks, and monitors the state of any responses that are undertaken.

Framework of Risk Management Activities



Voice

Risk Management in North and Central America

Robert Moyers III

Internal Control Specialist
Yazaki North America, Inc.



In fiscal year 2021, we carried out risk management activities for our sites in North and Central America. My role included interviewing each department, providing a self-check survey to identify internal risk areas, analyzing all the results, and working with respective departments on risk mitigation plans for the high-risk items found. The vision for the future of this activity is to collaborate with the Internal Audit Department and focus on assessing and mitigating risks.

Disaster Measures and BCP Initiatives

In response to the risk of such natural disasters as a giant earthquake striking the Nankai Trough, we aim to maintain and enhance trust in our company by endeavoring to ensure business continuity in accordance with a business continuity plan (BCP) for which human life is regarded as our top priority.

We formulated various types of manuals and are working on measures to protect our employees and facilities from the increasing numbers of natural disasters that are caused by climate change and other factors and to minimize any damage sustained as a way to prevent communities and customers from being unduly affected by disasters. We have prepared the Wind and Flood Response Manual to respond to typhoons, torrential rain, and storm surges, the Earthquake Response Manual to respond to earthquakes and



tsunamis, and the Eruption Response Manual to respond to volcanic eruptions. We have also developed a disaster prevention management system and provide education and training in accordance with these manuals, seeking to promote understanding of disaster prevention management and making preparations to ensure that everyone is capable of responding appropriately in an emergency.

Information Security

System for the Promotion of Information Security

In recent years, with the growing threat from the rapid increase in cyberattacks that are becoming increasingly advanced and sophisticated, any company can be the target of an attack. Against this backdrop, the Government of Japan is warning companies to strengthen their cybersecurity countermeasures.

The Yazaki Group considers it a matter of basic policy to protect all confidential information, including the personal information of customers and business partners obtained through the performance of operations, and appropriately manage the required information in connection with products. On this note, we have enacted a variety of rules, including a privacy policy, and are working on initiatives concerning information security. To maintain a high level of information security, we established the Information Security Management Committee in Japan, chaired by the head of our Enterprise IT Governance Division, and assigned a committee member to each division. At meetings of this committee,

which are held every other month, 30 members verify the state of information security activities in each division and work to promote standardization, the introduction of common measures and schemes, and education. To prepare for potential cyberattacks, we have reinforced our system for minimizing the damage from cyberattacks in collaboration with outside security firms.

We also developed a system for the promotion of information security in different regions to comply with national laws on the protection of personal information, such as the EU's GDPR,* and local security requirements. We will further fortify relationships of trust on the part of customers and other stakeholders by continuing to promote information security activities.

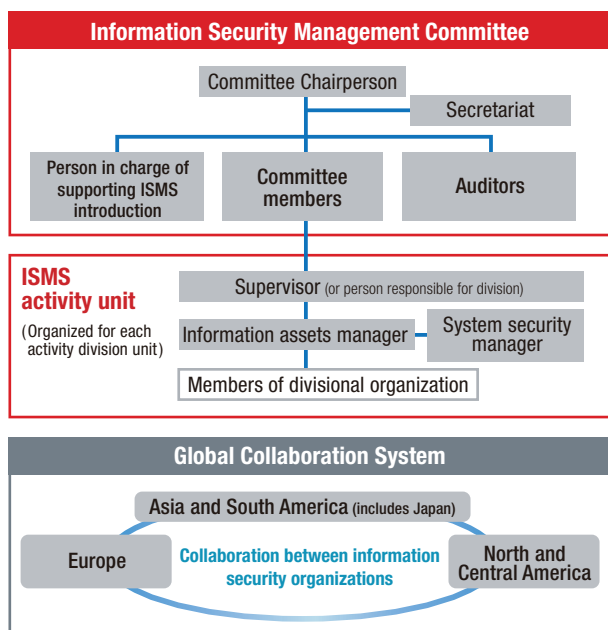
* General Data Protection Regulation

Information Security Initiatives

To protect information assets from cyberattacks and various other kinds of threats that are becoming increasingly complex and sophisticated, the Yazaki Group has implemented a variety of measures from the human, physical, technological, and organizational perspectives. To efficiently manage the resources necessary for these measures, an information security management system (ISMS) based on the ISO/IEC 27001 international standard has been adopted by 40 domestic companies and 44 overseas companies belonging to the Yazaki Group and plans call for this system to be promoted among divisions that have not yet adopted it. We have also verified that ISO/IEC 27001 international standard certification has been obtained and that the ISMS continues to be in compliance with requirements for this standard at 16 domestic divisions spanning sales and development, as well as four overseas companies.

Although no incidents of information leaks were confirmed in fiscal year 2021, the Yazaki Group in South America was subject to a cyberattack. In light of this, we have introduced a log recording system for the early detection of incidents and enhanced our emergency network disconnect mechanism to prevent the spreading of damage in the event of emergencies. We have also fortified facilities that enable the recovery of corrupted data. In addition, we have expanded the scope of third-party assessments conducted to check the effectiveness of the cybersecurity measures that we have introduced and will continue the practice going forward. By combining and applying these effective countermeasures across multiple layers, from our network boundaries to devices, we are coordinating globally to protect and prevent the leak of information in an effort to address the threat of cyberattacks changing by the day. In fiscal year 2021, there were zero cases that emerged in connection with the infringement of customer privacy or loss of customer data in Japan or overseas.

Structure for the Promotion of Information Security



Practice thorough compliance

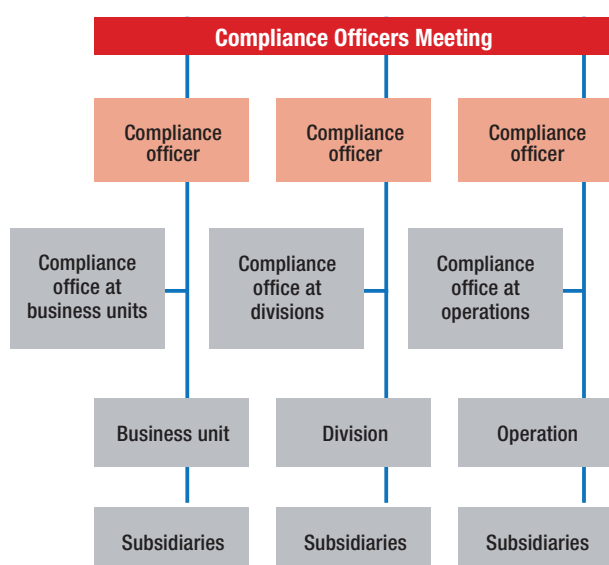
To properly “Uphold the law, respect regional cultures, and contribute to economic and social development” as set forth in our Fundamental Management Policy, we are carrying out activities with a four-pronged approach consisting of the clarification of laws and regulations that we must comply with, compliance training, monitoring, and the operation of a whistle-blowing system.

Structure to Ensure Compliance

To ensure that each division in Japan takes the initiative in conducting compliance activities, we have appointed the head of each division to the position of compliance officer, which is the person responsible for compliance activities in the assigned division, and have been holding the Compliance Officers Meeting, in which compliance management issues are shared and the latest information on laws and regulations are disseminated, four times a year since 2015. At the Compliance Officers Meeting in fiscal year 2021, reports were given on the state of legal compliance, explanations on the status of initiatives for ensuring fair transactions were carried out, and cases of misconduct at domestic manufacturing companies were introduced. As in fiscal year 2020, training with an external instructor on the creation of workplaces with a high level of psychological safety* in the context of compliance was also provided.

In addition, the Subsidiary Legal Affairs Support Department, which we established in fiscal year 2020 to ensure legal compliance and appropriate management of contracts throughout the entire Yazaki Group, has provided support

Structure for the Promotion of Compliance in Japan



in regard to these matters and other various legal activities undertaken by subsidiaries.

To promote compliance globally, we are building a framework based on the Global Compliance Policy that sets out minimum requirements in regard to each region’s compliance systems (legal information collection, organization, reporting, etc.) and the whistle-blowing system. The progress status of this framework was reported on at meetings of the Global Internal Control Committee in fiscal year 2021.

* State in which one can feel at ease when expressing one’s own opinions and thoughts without fear of being judged or responded to negatively by others

Clarifying Laws and Regulations with Which We Must Comply

In Japan, we make use of the Yazaki-wide Legal Compliance Control Item Table, which consists of a compilation of laws and regulations commonly applicable to all of our businesses and their respective requirements. In fiscal year 2021, we updated the table to reflect legal amendments, reviewed the risk assessment standards of each law, and distributed it to all domestic divisions, including subsidiaries. We also established more thorough compliance with regulations and ordinances by switching from a site-based approach to managing compliance to a centralized approach also covering subsidiaries.

Globally, we have produced policies for each overseas region based on the Global Compliance Policy. In accordance with these policies, we have identified the laws applicable to us and have made efforts to ensure compliance.

Compliance Training

In Japan, we provide training by job position, level, and law and regulation, including officer compliance training for those in management. Through training, we endeavor to deepen participants’ understanding of relevant laws and regulations as well as point out the compliance activities in the company to raise awareness of compliance matters.

In fiscal year 2021, we also held the Yazaki Legal Conference for the presidents of our domestic subsidiaries, for



which we invited an outside attorney who gave a lecture on how to respond to problems relating to contracts and compliance based on past incidents at the Yazaki Group.

Monitoring

To monitor the effectiveness of legal compliance in Japan, regular self-checking based on the use of a Compliance Check Sheet is conducted. We also make efforts to ensure the achievement of legal compliance through the implementation of site checks by the departments in charge of laws and regulations for various areas, such as personnel, financial, and legal, and a regular audit conducted by our Internal Audit Department. In fiscal year 2021, self-checks were carried out at 55 domestic group companies, and the departments in charge of laws and regulations checked detected risks at worksites.

Management of the Whistle-blowing System

To detect violations of the law and regulation at an early stage and prevent their occurrence, the Yazaki Group has put in place whistle-blowing hotlines in each region.

Regarding Yazaki Ai, a domestic whistle-blowing system, we established an internal office for reporting and an independent outside office for reporting at an outside law firm to thoroughly protect whistleblowers, thereby ensuring their anonymity and keeping them rigorously protected from reprisals and other detrimental treatment. In fiscal year 2021, we revised our company rules based on the amendments to the Whistleblower Protection Act.

Globally, in addition to the above measures, we have begun to examine the introduction of a global whistleblower system that enables overseas sites to directly report to our headquarters, with the aim of detecting serious legal violations at an early stage and preventing them. We plan to commence a test of this system in specific regions from fiscal year 2022 onward.

Topics

Creation of the System for Sharing Information on Regulations and Ordinances

We have created the System for Sharing Information on Regulations and Ordinances to facilitate the viewing and management of regulations and ordinances stipulated by the local governments of the areas the Yazaki Group in Japan operates in. We have appointed at least one person at all of our sites to be in charge of these matters, and we provide information to them concerning changes to regulations and ordinances, which includes comments by a lawyer that summarize regulations, points to be aware of, and other such details.



Prevent all forms of corruption

To maintain a free and fair competitive environment at all times, the Yazaki Group works to ensure fair transactions in compliance with competition law, including such statutes as the Antimonopoly Act and the Subcontract Act, and prohibits conduct at odds with the laws and regulations of each country and generally accepted commercial norms in connection with the provision of entertainment and gifts to customers and business partners.

Complying with the Antimonopoly Act

The Yazaki Group solemnly accepts that it violated the Antimonopoly Act in the past and has since developed a

framework and implemented countermeasures to prevent the recurrence of such a violation.

In fiscal year 2021, to ensure that our incident of violation of the Antimonopoly Act is never forgotten, we continued to implement training that commenced in fiscal year 2020 to

mark a decade since the incident occurred. In the training, we show video footage of interviews with people connected to the incident, and each employee is encouraged to discuss what actions should be taken. In this way, we ensure the incident is remembered and that similar incidents are prevented.

We have also commenced training globally so that the incident is not forgotten, which adopts the same discussion-based format as used in Japan. In fiscal year 2021, this training was conducted at some sites in China and South Korea. We intend to gradually expand this training to other overseas sites in fiscal year 2022.

Preventing Corruption

To promote fair business practices in all countries and regions where we operate, we have developed and are operating a framework to make sure that employees are not involved in acts of corruption and are focused on securing a sound management environment.

In fiscal year 2021, we made efforts such as conducting training on the prevention of bribery for our sites in South Korea, revising the company rules on bribery prevention for our sites in North America, and conducting surveys on the status of company rule compliance regarding bribery prevention at our sites in Greater China.

Respect human rights

In accordance with the Yazaki Group Human Rights Policy, the Yazaki Group respects the human rights of all stakeholders involved in our business activities while taking international norms and the laws and customs of each country into account. We respect the human rights of our employees and are working to develop an environment in which each individual can fully demonstrate their skills.

The Yazaki Group Human Rights Policy

Respect for human rights, which is a priority theme of the Yazaki Group for the promotion of CSR, has become increasingly important on a global scale, and companies are being required to deepen their understanding and take appropriate actions on a variety of different issues concerning human rights in regard to the countries and regions where they operate. Based on this awareness of the challenges at hand, we enacted the Yazaki Group Human Rights Policy with the approval of the board of directors in October 2020.

This policy sets forth the basic human rights policy of our group and has been formulated based on the Guiding Principles on Business and Human Rights, a set of global standards prescribed by the United Nations.

Positioned above individual related policies and documents mentioning respect for human rights (such as our CSR policy, Global Responsible Mineral Policy, and Code of Conduct), this policy applies to all domestic and overseas companies belonging to the Yazaki Group and their employees. We will also ask our business partners and other concerned parties to agree to this policy.

WEB | Yazaki Group Human Rights Policy
<https://www.yazaki-group.com/global/csr/humanrights.html>



Human Rights Due Diligence

The Yazaki Group has implemented initiatives to reduce human rights risks within our supply chain based on the Yazaki Group Human Rights Policy.

As specific initiatives, we added child labor and forced labor to our Compliance Check Sheet and are ascertaining the state of initiatives being carried out by our group companies in Japan. In addition, at six factories of six domestic companies that run programs for technical trainees, we conduct on-site audits of such programs in accordance with the check sheets that include items pertaining to child labor and forced labor.

In fiscal year 2020, we began to conduct human rights due diligence at group companies overseas. By harnessing our framework for risk management activities, we have conducted comprehensive self-checking and evaluation of the appropriateness of systems and daily operations at each site and the existence of human rights risks in such forms as forced labor, child labor, and discrimination. The results of this process were reported to the Internal Control Committee in each region, whereupon measures for ameliorating identified risks were discussed, and the monitoring of the state of the implementation of these measures was undertaken.

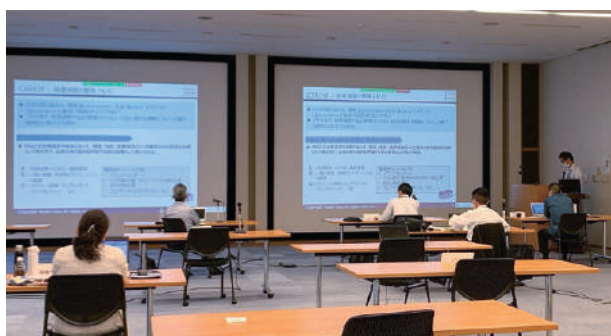
In fiscal year 2020, we commenced human rights risk assessments in the ASEAN and Greater China regions



we operate in. In fiscal year 2021, we expanded these efforts to also cover North and Central America, Europe, Mercosur, and India. In the meeting of the Global Internal Control Committee held in May 2022, personnel such as members of management and human resource managers from various regions reported on the results of human rights risk assessments, sharing important points and response measures. In fiscal year 2022, we will continue to engage in initiatives to reduce risks globally, through such efforts as conducting in-depth surveys for globally recognized common risks and site audits as necessary based on the results of the risk assessments.

As for child labor, we have conducted a survey of the state of compliance with minimum working-age standards based on international norms and the laws and regulations of each country at our overseas sites. In fiscal year 2021, the survey was conducted for 105 group companies, and zero issues were detected. We will continue to monitor the status of compliance.

As a measure to reinforce our response to human rights risk within our supply chain, we are also distributing the Human Rights Initiatives Assessment Sheet when we distribute the Supplier CSR Guidelines and the Supplier CSR Self-Assessment Sheet to our suppliers. We distributed this assessment sheet to 848 of our suppliers in Japan and overseas in fiscal year 2021.



CSR training for newly appointed responsible persons (simultaneously held online)

In Japan, we implemented harassment-prevention training by e-learning for all employees to prevent workplace harassment. Based on the results of post-training surveys, we will consider response measures to thoroughly prevent workplace bullying. We will continue to rapidly identify and respond to any incidents that involve human rights violations via our harassment hotline in the event that they occur.

Human Rights Education

In Japan, we continue to provide CSR training for newly appointed responsible persons (persons responsible for overseas sites, presidents of subsidiaries, and heads of business sites), newly appointed department heads and leaders, new employees and mid-career employees, and employees before they embark on an overseas transfer, and we are endeavoring to properly instill greater understanding of respect for human rights and matters concerning child and forced labor in employees as part of this training. For management, we explained changes in laws and regulations concerning human rights and actions companies are required to undertake in meetings of the Global Internal Control Committee.

Responding to the UK Modern Slavery Act

Each year, in accordance with the UK Modern Slavery Act of 2015, which was enacted for the purpose of eradicating modern slavery in 2015, the boards of directors of Yazaki Europe Ltd., which is based in the United Kingdom, and Yazaki Corporation, as Yazaki Europe's parent company, formally endorse a statement on dealing with modern slavery in our supply chain and post this statement on our respective websites. The statement for fiscal year 2021 is available via the following link.

WEB | Statement on the UK Modern Slavery Act
<https://www.yazaki-group.com/global/csr/statement.html>



Preventing Discrimination and Harassment

Along with clearly stating respect for diversity and the elimination of discrimination in our CSR Policy, we are working to ensure respect for diversity and eliminate discrimination by stipulating that all forms of discrimination, including discrimination on the basis of nationality, ethnicity, sex, sexual orientation, age, place of birth, educational background, connections and relations, disability, religion, and employment status, are to be eliminated in our Code of Conduct, which constitutes a guide to actions carried out by employees.

Environment

	Organizations covered	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Remarks
CO₂ emissions	Global	10,000 t-CO ₂	64.8	62.1	54.6	57.6	56.7	
	Japan	10,000 t-CO ₂	17.0	16.4	14.8	13.6	12.9	
	Scope1	Global	10,000 t-CO ₂	—	—	—	9.0	9.3
	Scope2	Global	10,000 t-CO ₂	—	—	—	48.6	47.4
CO₂ emissions intensity of sales	Global	t-CO ₂ /100 million yen	33.6	31.9	31.9	35.8	31.5	
	Japan	t-CO ₂ /100 million yen	25.6	24.2	25.3	22.2	20.9	
Energy consumption	Global	TJ	—	—	—	8,923	8,791	
	Japan	TJ	—	—	—	2,712	2,670	
Energy consumption intensity of sales	Global	TJ/100 million yen	—	—	—	0.555	0.489	
	Japan	TJ/100 million yen	—	—	—	0.443	0.433	
Amount of discharge	Global	10,000 t	13.9	15.8	12.5	13.8	12.7	
Amount of waste	Japan	t	4,562	5,074	4,955	5,153	4,610	
Amount recycled	Japan	t	3,948	4,382	4,299	4,556	4,028	
Recycling rate	Japan	%	96.8	96.7	99.9	99.9	99.8	
Amount of final disposal	Japan	t	36	14	2	5	6	
Water consumption	Global	10,000 m ³	1,076	1,052	961	929	907	
Quantity of water intake	Tap water	Global	10,000 m ³	427	400	362	381	383
	Industrial water	Global	10,000 m ³	75	85	76	80	77
	Groundwater, etc.	Global	10,000 m ³	574	567	523	469	448
VOC emissions	Japan	t	99	100	87	87	81	Applicable sites: Susono Factory, Ohama Factory, Shimada Factory, Kan Kogyo, and Cable Technica
Emissions of substances subjected to the PRTR Law	Japan	t	11	10	10	9	7	Applicable sites in fiscal year 2017 and 2018: Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, and Tenryu Factory
Transfer amounts of substances subjected to the PRTR Law	Japan	t	5	3	5	4	3	Applicable sites from fiscal year 2019 to 2021: Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, Tenryu Factory, and Kan Kogyo
Number of companies with ISO 14001 certification	Overseas	Companies	—	—	—	56	57	
	Japan	Companies	—	—	—	35	35	
Percentage of companies with ISO 14001 certification	Global	%	—	—	—	61	61	
Energy consumption within the organization	Japan	kl	64,681	66,120	63,931	58,207	59,278	Corporations covered by the Energy Conservation Act in fiscal year 2017: Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Energy System Corporation, SAGARA PLASTICS INDUSTRIAL Co., Ltd., Japan Chain Terminal Co., Ltd., Oita Parts Co., Ltd., and Gifu Koki Corporations covered by the Energy Conservation Act for fiscal year 2018 to 2021: All of the above companies and Kumamoto Koki

Society

	Organizations covered	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Remarks
Consolidated net sales	Global	Billions of yen	1,926.6	1,945.4	1,714.0	1,609.0	1,799.2	
Breakdown of consolidated net sales by region	Japan	%	34.5	34.9	34.1	38.1	34.3	
	North, Central, and South America	%	30.5	30.3	31.8	26.8	29.1	
	Asia	%	17.8	17.4	16.7	17.7	19.2	Fiscal year 2017: Includes Australia
	Europe and Africa	%	17.2	17.4	17.4	17.4	17.4	

		Organizations covered	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Remarks
Number of employees		Total	Employee	306,118	249,667	243,723	239,753	235,554	Fiscal year 2017: Includes non-consolidated subsidiaries and affiliated companies Fiscal year 2018 onward: Yazaki Corporation and consolidated subsidiaries in Japan and overseas *2
		Japan	Employee	20,056	18,557	18,139	18,026	17,961	
		Overseas	Employee	286,062	231,110	225,584	221,727	217,594	
Average years of service	Total	Japan	Year	—	—	17.2	17.0	17.8	*1, 2 Excluding non-regular employees Fiscal year 2021: target conditions were changed
	Male		Year	—	—	17.5	17.4	18.2	
	Female		Year	—	—	15.8	15.2	16.3	
Average age	Total	Japan	Age	—	—	40.4	40.3	41.1	*1, 2 Excluding non-regular employees Fiscal year 2021: target conditions were changed
	Male		Age	—	—	41.1	41.0	41.8	
	Female		Age	—	—	37.7	37.2	38.3	
Number of employees covered by a collective bargaining agreement		Japan	Employee	6,445	6,451	6,578	6,578	6,606	Number of employees in the Yazaki Labor Union (comprised of employees from Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation)
Number of women in management positions		Japan	Employee	25	22	28	36	43	*1, 2
Percentage of women in management positions		Japan	%	1.8	1.6	2.1	2.3	2.7	*1, 2
Percentage of female employees		Japan	%	23.0	21.7	22.0	22.3	22.9	*1, 2
Number of employees with disabilities		Japan	Employee	280	290	307	329	335	A total of Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation, and the special subsidiary Yazaki Business Support Co., Ltd., calculated on the basis of the Act on the Promotion of the Employment of Persons with Disabilities
Percentage of employees with disabilities		Japan	%	2.33	2.38	2.47	2.67	2.76	
Percentage of non-regular employees		Japan	%	10.0	9.0	8.0	7.2	8.0	*1 Non-regular employment: part-time, casual, temporarily reemployed retirees, other temporary workers, and technical trainees
Number of people employed under post retirement reemployment systems	Anchor System (permanent employees)	Japan	Employee	404	452	419	443	490	*1
	Elder System (associate employees)		Employee	144	153	150	153	133	*1
	Senior System		Employee	—	—	—	16	37	*1 Reemployment system that enables retired employees to do the same work as regular employees
Average hours of overtime per month		Japan	Hours	16.7	17.5	13.9	9.7	12.8	*1
Paid leave usage rate		Japan	%	67.7	69.0	66.8	69.7	72.3	*1
Number of employees who took childcare leave	Total	Japan	Employee	84	72	98	90	113	*1
	Male		Employee	8	6	20	33	53	
	Female		Employee	76	66	78	57	63	
Childcare leave usage rate	Male	Japan	%	2.5	2.2	7.2	14.7	20.5	*1
	Female		%	100.0	100.0	98.6	100.0	100.0	
Reinstatement rate after childcare leave	Male	Japan	%	100.0	100.0	100.0	100.0	100.0	*1
	Female		%	98.0	97.4	97.0	100.0	96.5	
Retention rate after childcare leave the previous fiscal year	Male	Japan	%	66.7	100.0	100.0	100.0	100.0	*1
	Female		%	98.0	98.6	98.4	100.0	96.5	
Number of employees who used short working hours during childcare		Japan	Employee	190	222	206	225	347	*1
Number of employees who took nursing care leave		Japan	Employee	86	85	109	94	121	*1
Number of employees who took continuous elderly care leave		Japan	Employee	2	1	2	5	6	*1
Number of employees who used short working hours during elderly care		Japan	Employee	2	4	3	6	7	*1

*1 Corporations covered: Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation

*2 Figures as of end of each fiscal year (June 20)

ESG Data

	Organizations covered	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Remarks
Number of employees that took elderly care leave	Japan	Employee	11	11	11	24	25	*1
Number of new graduate hires	Japan	Total	—	111	104	166	72	*1
		Male	—	91	80	122	62	
		Female	—	20	24	44	10	
Retention rate of new employees after three years	Japan	%	—	—	—	91.9	81.7	*1
Answer rate of the employee engagement survey	Japan	%	—	—	—	85.6	94.2	*1
Hours spent in training per employee	Japan	Hours	—	7.1	5.6	5.0	4.3	*1
Frequency rate of occupational accidents	Japan	—	0.52	0.26	0.41	0.36	0.45	All factories in Japan Frequency rate = (the number of people injured or who died due to occupational accidents / total number of actual hours worked) x 1,000,000. The number of people injured or who died due to occupational accidents refers to the number of people who lost their lives or were forced to take one or more days off work due to a bodily injury or loss of bodily function.
	North, Central, and South America	—	—	0.091	0.079	0.089	0.118	Frequency rate = (the number of people with recordable work-related injuries / total number of hours worked) x 200,000. Number of people with recordable work-related injuries refers to the number of people who lost their lives in work-related accidents, or lost consciousness, or required one or more days off work, one or more days of restricted duties, transfer of workplace, or medical treatment greater than first aid.
	Europe and Africa	—	—	0.055	0.045	0.041	0.021	
	Greater China	—	—	—	—	0.185	0.232	
	ASEAN	—	—	—	—	0.042	0.036	
	South America	—	—	—	—	0.000	0.011	
	India	—	—	—	—	0.000	0.010	
Severity rate of occupational accidents	Japan	—	—	0.0039	0.0099	0.0066	0.0068	All factories in Japan
Number of sites with ISO 9001 certification	Japan	Site	—	—	—	—	24	*2
	Overseas	Site	—	—	—	—	24	
Number of sites with IATF 16949 certification	Japan	Site	—	—	—	—	2	*2
	Overseas	Site	—	—	—	—	134	

Governance and Compliance

Governance items disclosed from fiscal year 2021 onward

	Organizations covered	Unit	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Remarks
Directors	Japan	Person	—	—	—	—	7	Corporations covered: Yazaki Corporation *2
Number of outside directors	Japan	Person	—	—	—	—	0	Corporations covered: Yazaki Corporation *2
Number of female directors	Japan	Person	—	—	—	—	0	Corporations covered: Yazaki Corporation *2
Number of board of directors' meetings	Japan	—	—	—	—	—	16	Corporations covered: Yazaki Corporation *2
Number of corporate auditors	Japan	Person	—	—	—	—	1	Corporations covered: Yazaki Corporation *2
Outside corporate auditors	Japan	Person	—	—	—	—	2	Corporations covered: Yazaki Corporation *2
Number of whistleblower reports / consultations	Japan	Cases	36	43	39	46	43	

*1 Corporations covered: Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation

*2 Figures as of end of each fiscal year (June 20)

A Corporate Group in Step with the Global Environment

Yasuhiko Yazaki

Honorary Chairman
Yazaki Corporation



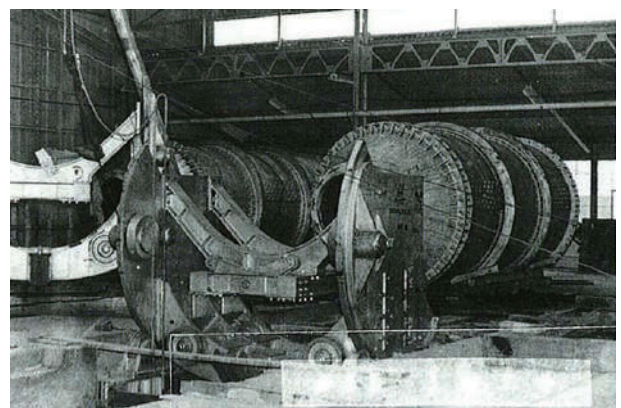
On one occasion when our founder, Sadami Yazaki, visited the factory, he went straight to the waste incinerator. He picked up the electric wire scraps and coverings at his feet and told management quite firmly: "This is *mottainai*. We must not do this." *Mottainai* not only means wastefulness, but it also means to not let things go to waste. Putting this ideal into practice, the Yazaki Group has strived to contribute to the global environment, focusing especially on business activities that incorporate recycling and the use of renewable energy. As an example of our efforts, in 1957, the Group introduced a Thomas furnace to transform scrap copper into a usable resource in the first attempt of its kind in Japan. In 1971, we also commenced the recycling of drums for electric wires, which had previously been mostly disposed of. In addition, in 1974, we were one of the first companies in the world to develop an environmentally friendly solar-powered heating and cooling system. From an early stage, we have worked in step with the global environment.

I believe that the attitude of *mottainai* that was part of our founder's spirit is also the DNA that the Yazaki Group will continue to inherit into the future. This is because *mottainai* expresses the idea of not simply focusing on satisfaction for our current generation, but rather placing value on benefiting later generations through further harnessing the ideas and skills of those who came before us. This DNA also flows through me, and I have worked unwaveringly to uphold this principle in my work.

Environmental problems, such as climate change, are growing increasingly severe. While efforts toward solving

these problems may not bear quick results, we will not be able to leave a beautiful global environment to following generations if we do not act now. The Yazaki Group will continue to tackle environmental problems not only through our business activities but also through products and services that directly embody the spirit of *mottainai*. To do this, motivation is essential. Both people and companies must have motivation. I want all of the Group to focus firmly on the future at all times and not forget to have the ambition and attitude to bravely take on new challenges.

While upholding the values we have cherished since our founding, we will do our utmost to realize a sustainable society as we meet the needs of our world and the changing times.

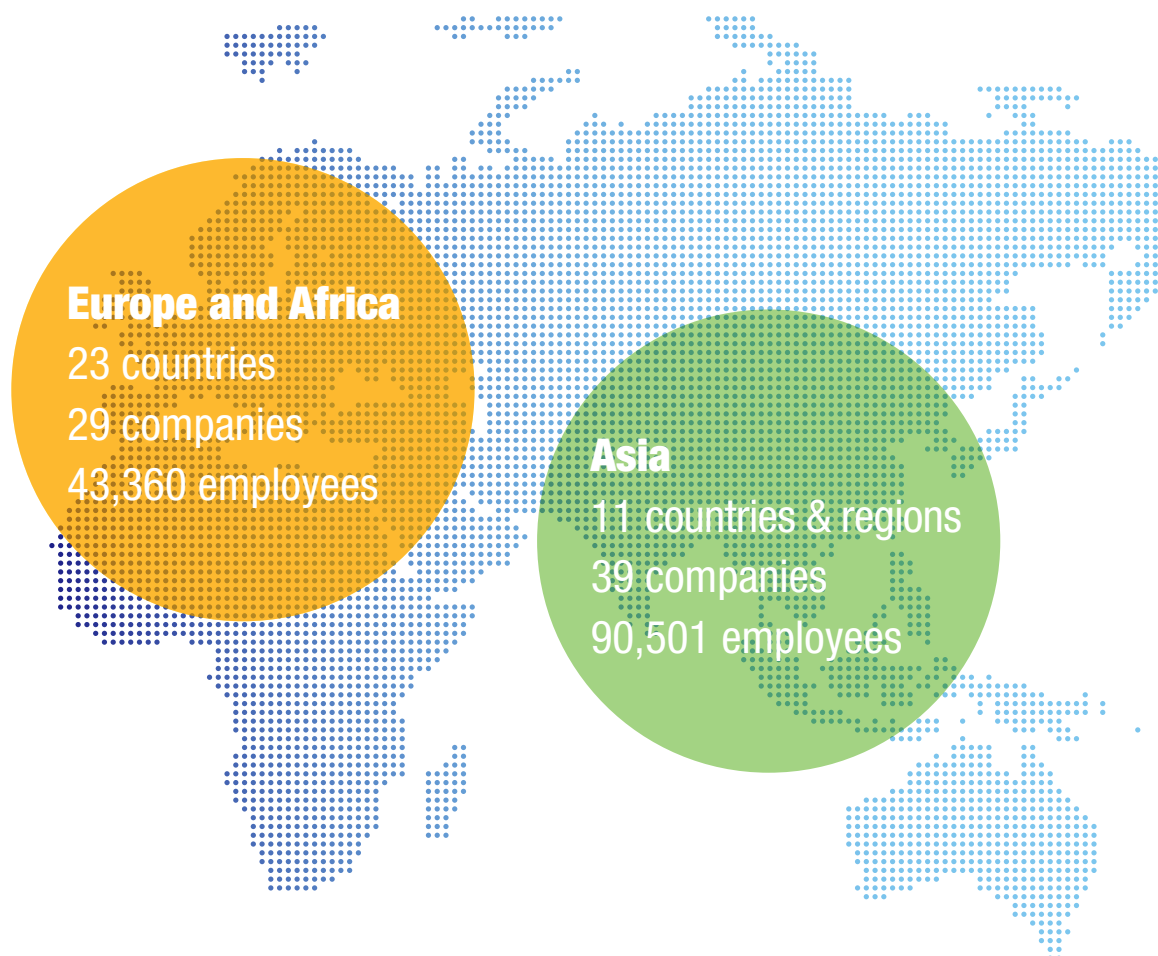


Introduction of the rotary melting furnace (Thomas furnace) for recycling scrap copper at the Numazu Factory (1957)

45 countries and regions
141 companies
235,554 employees

1960–

Thailand (1962)
 U.S.A. (1964)
 ★ Australia (1965)
 ★ Switzerland (1966)
 Taiwan (1968)
 The Philippines (1973)
 United Kingdom (1980)
 Mexico (1982)



Company Overview

Company name Yazaki Corporation
 Established October 8, 1941
 Representative Riku Yazaki, President
 Address **Headquarters**
 17th floor, Mita Kokusai Building, 4-28,
 Mita 1-chome, Minato-ku, Tokyo 108-8333 Japan
World Headquarters (Y-CITY)
 Mishuku 1500, Susono City, Shizuoka Prefecture, 410-1194 Japan
 Capital 3.1915 billion yen
 (Yazaki Corporation is an unlisted company.)

Major Yazaki Group companies in Japan

Yazaki Meter Co., Ltd. (established in 1950)
 Yazaki Parts Co., Ltd. (established in 1959)
 Yazaki Energy System Corporation*1

Number of Yazaki Group companies*2

Total of 141 companies (Japan/overseas)

Number of employees in the Group*2,3

Total of 235,554 employees (Japan/overseas)

*1 Established as Yazaki Electric Wire Co., Ltd. in 1963 and changed its name in 2012

*2 Yazaki Corporation and consolidated subsidiaries in Japan and overseas. Excludes equity-method subsidiaries, subsidiaries excluded from the scope of consolidation, affiliated companies, and related incorporated foundations. The aggregation method was changed from fiscal year 2018.

*3 Includes permanent employees, associate employees, accepted assigned employees, and reemployed persons. Accepted assigned employees excludes those who have been assigned from the Group to outside the Group, but includes those who have been assigned to the Group from outside.

Among countries in the timeline, there is no longer a site in the countries with "★".

1990-

2000-

2010-

Portugal (1986)	Italy (1991)	Colombia (1995)	Morocco (2000)	El Salvador (2006)	Poland (2011)
★ New Zealand (1986)	★ Western Samoa (1991) Present: Samoa	Argentina (1995)	Nicaragua (2001)	Bulgaria (2006)	Cambodia (2012)
Canada (1987)	Belgium (1991)	India (1997)	Lithuania (2001)	South Africa (2006)	Russia (2012)
Sweden (1988)	Slovakia (1994)	Brazil (1997)	Czech Republic (2001)	Tunisia (2009)	Slovenia (2012)
China (1988)	Singapore (1995)	★ The Netherlands (1999)	Ukraine (2002)	South Korea (2009)	Paraguay (2013)
West Germany (1988) Present: Germany	Turkey (1995)	France (1999)	Romania (2003)		Serbia (2016)
Spain (1988)	Vietnam (1995)	Croatia (1999)	Uruguay (2005)		Myanmar (2019)
Indonesia (1989)					

WEB | Global Network

<https://www.yazaki-group.com/global/network/>



Japan

45 companies
17,961 employees

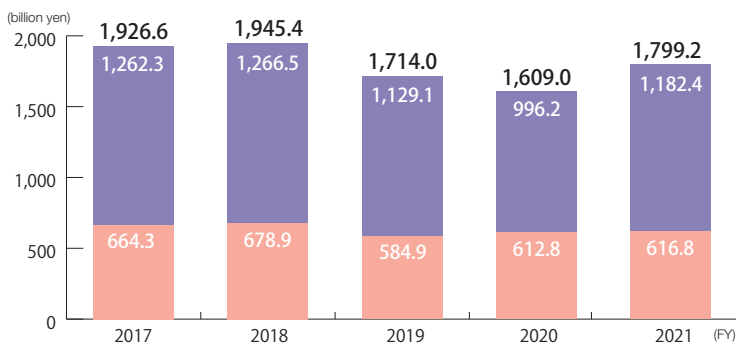
North, Central, and South America

10 countries
28 companies
83,732 employees

Note: In addition to the countries and regions where we have companies, seven countries where we have affiliated companies other than consolidated subsidiaries are also included (Canada, Slovenia, Belgium, Sweden, Croatia, South Africa, and South Korea)

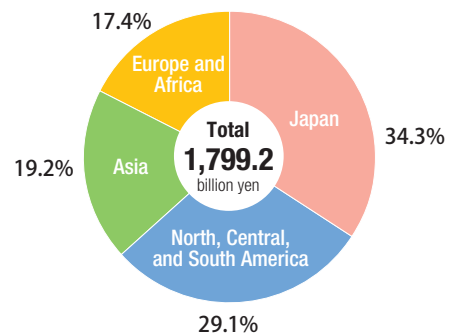
Consolidated Net Sales

Japan Overseas



Note: The fiscal year extends from June 21 of a given calendar year to June 20 of the following calendar year

Breakdown of Consolidated Net Sales by Region (FY 2021)



On Reading the CSR Report

While many companies are engaging in somewhat inadequate initiatives and reporting in terms of the social aspect of their business, this report demonstrates that the Yazaki Group is focusing on social aspects based on its strong philosophy and organizational structure for ensuring compliance, making efforts such as creating healthy and comfortable workplaces throughout the world.

TRUE SAFE, which was introduced in the Special Feature section, is an excellent service that helps to prevent traffic accidents by analyzing massive volumes of data with AI. Without this technology, such prevention would not be possible. Advocating a connected society, the company is contributing to resolving social issues not only through providing physical equipment such as wire harnesses but also through digital solutions such as connecting various data to software. As the Group possesses various technologies with the potential for expansion, I expect them to make strides in a wide range of endeavors going forward.

I also believe that Group's achievement in gaining J-Credit certification for digital tachographs installed in heavy-duty trucks is a valuable initiative that provides incentive for many transport business operators to reduce their greenhouse gas emissions. I encourage the Group to continue to reduce not only its own emissions but also utilize its unique technologies and products such as these to rapidly reduce CO₂ emissions within society.

The Group has continued to implement sophisticated initiatives to address issues such as those concerning the supply chain, human rights, and conflict minerals. It is also making outstanding efforts to turn the entire supply chain in a positive direction while engaging respectfully with suppliers, as seen in its promotion of CSR procurement, distribution of check sheets to suppliers, requests that suppliers perform self-assessments, and engaging in dialogue directly with suppliers where improvement is desirable.

While the rate of childcare leave used by male employees continues to remain low at many companies in Japan, it is clear that the Yazaki Group has taken effective steps to address this issue, having significantly increased the rate from 2.2% in fiscal year 2018 to 20.5% in fiscal year 2021. I would like to see the Group examine

Junko Edahiro

Professor, Graduate School of Leadership and Innovation, Shizenkan University
President, Institute for Studies in Happiness, Economy and Society (ISHES)
President of Miraisozobu (dba For Future Company)
Environmental Journalist



the reasons behind this success and apply it to other measures and developments.

I would like to describe a few of my hopes in regard to further improvements. In the third-party comments of the previous fiscal year, I encouraged the company to develop long-term targets to address climate-change. The company has now firmly established the long-term target to achieve carbon neutrality by 2050, and I am looking forward to its efforts toward achieving this. The company has stated that its mid-term target for Scope 3 emissions is a 15% reduction compared to the reference value. As this reference value will be set based on data collection and analysis henceforth, and the numerical target has already been disclosed, I would like to see the company give adequate attention to transparency in the calculation methodology and process.

In addition, I would like the company to make efforts toward and report on not only the reduction of CO₂ emissions, but also carbon-sink measures (tree planting and blue carbon), fixation (carbonization, etc.), and adaptation measures.

Biodiversity is also an issue of serious importance like climate change. While the company has reported on regional initiatives such as the creation of biotopes, as a corporation, it is important that it assesses how its raw materials and production processes impact biodiversity and makes efforts to reduce this impact. I would therefore like to see the company work in this direction. Although the company is privately owned, I feel that the lack of female members on its board of directors is an area where improvements could be made. While it has reported on efforts toward promoting active roles for women, what is the company's stance, targets, and initiatives in relation to the appointment of women in management positions?

The company is making steady improvement every year, and I strongly hope to see it progress even further.

Responding to Third-party Feedback

Junichi Kitami

Managing Executive Officer
General Manager, Corporate Governance
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I am deeply grateful to Professor Edahiro for once again providing valuable feedback. In this report, we have enhanced the quality and quantity of information we provide to deepen understanding of the Group's initiatives by outlining our business operations and efforts toward realizing a sustainable society as well as including a new ESG data section at the end of the report. I am deeply encouraged by Professor Edahiro's positive evaluation of the Group's businesses that resolve social issues, improvements in our childcare leave usage rate, and our human rights initiatives. We will further focus on these highly evaluated points as strengths of the Group and examine how to apply the factors behind their success to other initiatives.

On the other hand, Professor Edahiro has also raised other issues of serious importance. We will give proper attention and consideration to the points she indicated regarding the methodology and process for setting the reference value of the 2030 Scope 3 emissions. In addition, we will also make proactive efforts not only toward reducing CO₂ emissions, but also toward measures for absorbing CO₂ emissions. In terms of biodiversity, in addition to conducting activities to raise awareness and contribute to local communities, we will also strive to carry out initiatives that consider the impact of our business operations on ecosystems. While we have increased the number of women in management positions through efforts to promote active roles for women, we recognize that the appointment of female directors is an issue and we will adjust our approach.

We will carefully consider this feedback and continue to work toward the realization of a sustainable society.

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