

◆ Instilling a Sustainability Mindset Inside the Yazaki Group

In Japan, sustainability training is provided to newly appointed responsible persons (persons responsible for overseas sites, presidents of subsidiaries, heads of business sites), newly appointed department heads and leaders, new employees and newly hired mid-career employees, and employees before they embark on an overseas transfer. Through the training, we explain sustainability trends, the Yazaki Group's approach to sustainability and initiatives on key issues, and strive to instill an understanding in employees.

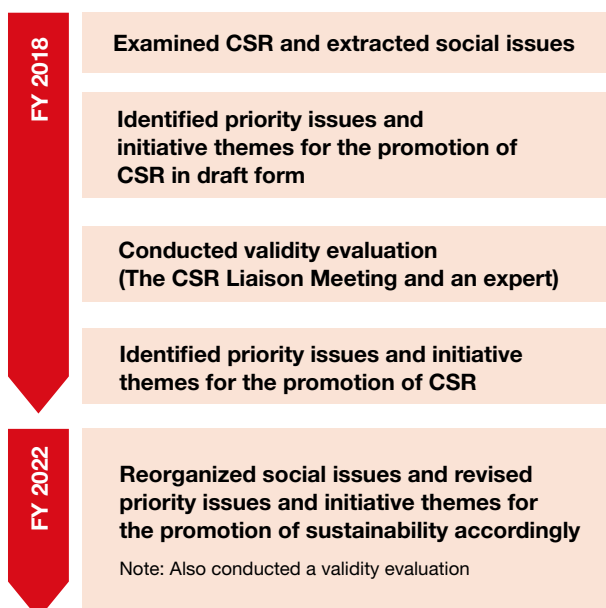
◆ Priority Social Issues That the Yazaki Group Needs to Focus On

The Yazaki Group regards sustainability and CSR as management issues and believes it is important that it ascertains and manages the impact of the external environment on the company and the impact of its business activities on society in order to further promote initiatives concerning sustainability and 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.

With the aim of enhancing our ability to respond to the changing external environment and business risks associated with sustainability, we broadened the important CSR promotion issues identified in fiscal year 2018 and the 23 SDG-related action items to include sustainability perspectives, undertaking revisions in fiscal year 2022. We also established key performance indicators (KPIs) to assess the outcomes of each action item.

Priority Issues Identification Process



Review of Priority Issues

- 1 The list of priority issues identified in fiscal year 2018 was compared with international standards, norms, and customers' expectations and requests related to sustainability. Points to be revised were identified and a review plan was prepared.
- 2 The validity of the draft review priority issues (initiative themes) was evaluated by an expert, and the divisions in charge further examined themes and statements to be prioritized. KPIs were also examined.
- 3 The review draft priority issues (initiative themes) were adopted as the priority issues for the promotion of sustainability after approval was granted at a management meeting held on August 30, 2023. KPIs were set.

Looking to the Future

To resolve social issues and enhance our medium- to long-term corporate value, we will regularly evaluate the achievement of the KPIs for each initiative theme and engage in sustainability management activities while implementing the PDCA cycle. We will also proceed with preparations to comply with sustainability disclosure items stipulated in requirements such as CSRD* in Europe. In addition to contributing to the achievement of the SDGs through our efforts relating to these priority issues, we will continue to disseminate and raise awareness of the SDGs to enable each employee to implement initiatives through their daily tasks as we strive toward the resolution of social issues and the sustainable growth of the Yazaki Group.

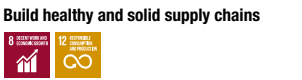




* CSRD: Corporate Sustainability Reporting Directive



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 2023 for Addressing Priority Issues for the Promotion of Sustainability

* The year will be stated if the target fiscal year differs.

Priority issue	Initiative theme	KPI* (FY2023)	FY2023 result	Organizations covered
Offer solutions to increase society's prosperity 	Provide safe, high-quality products and services	100% maintenance of ISO 9001 certification Note: At domestic and overseas sites where certification is required	99.4%	Global
	Resolve social issues through our business	Demonstrate evidence of initiatives	Published evidence	Global
	Promote open innovation	Demonstrate evidence of initiatives	Published evidence	Global
Build healthy and solid supply chains 	Promote CSR procurement	80% response rate for the CSR survey Note: Target suppliers in Japan, ASEAN, and Greater China	88.6%	Japan, ASEAN, Greater China
Establish a truly strong organization 	Promote diversity, equity, and inclusion	① Percentage of childcare leave taken by male employees: 50% (2025), 85% (2030) ② Percentage of women in management positions: 5% (2026)	① 53.3% ② 4.1%	Domestic group companies (4)
	Improve job satisfaction	95% response rate of the employee engagement survey	95.0%	Domestic group companies (4)
	Develop the next generation of human resources	Hours spent in training per employee: 5h/person	10.2h/person	Domestic group companies (4)
	Foster the corporate culture	Percentage of management members* participating in Corporate Philosophy training: 100% * Leader positions	100%	Domestic group companies (4)
	Promote health management	① Physical: Percentage of employees at high health risk: * Less than 5.5% ② Mental: Stress check participation rate: 100% * Individuals corresponding to the health management category set by our company based on health checkup results	① 6.6% ② 96.8%	Domestic group companies (4)
	Strengthen occupational health and safety	① Zero major occupational accidents ②-1 Zero accidents at facilities caused by violations of the "Stop, Call, Wait" rule ②-2 Zero accidents caused by violations of poketenashi walking fall prevention rules	① : 0 accidents ②-1: 1 accident ②-2: 0 accidents	Domestic group companies (4)
Contribute to development of local communities 	Contribute to development of local communities	Demonstrate evidence of initiatives	Published evidence	Global
Strengthen the global environmental management system 	Enhance environmental management	Percentage of companies with ISO 14001 certification	62%	Global
	Mitigate and adapt to climate change	Percentage reduction in CO ₂ emissions compared to the base year (FY 2017) • FY 2023: 6%, FY 2030: 39%, FY 2050: Carbon neutrality	21%	Global
	Conserve biodiversity	Demonstrate evidence of initiatives	Published evidence	Global
	Closely manage harmful chemicals	Identification of emissions of substances subject to the PRTR	Identified emissions: 13.2 tons	Domestic group
	Formation of a recycling-based society	Percentage reduction in waste emissions compared to the base year (FY 2018) • FY 2023: 3%, FY 2030: 10%	9%	Domestic group
	Water resource response	Percentage reduction in water consumption compared to the base year (FY 2018) • FY 2023: 4%, FY 2030: 17%	13%	Domestic group
Enhance global governance and internal control 	Ensure management soundness, efficiency, and transparency	Demonstrate evidence of initiatives	Published evidence	Global
	Strengthen risk management and BCM	Demonstrate evidence of initiatives	Published evidence	Global
	Promote information security	Risk reduction measures (endpoint security* coverage rate) Japan: 100%, North and Central America: 100%, EMEA: 100%, Asia and South America: 40% * Security measure for end equipment such as PCs and servers	Japan: 100% North and Central America: 100% EMEA: 100% Asia and South America: 80%	Global
	Practice thorough compliance	Participation rate* in Antimonopoly Act training: 100% * Based on number of participants expected to attend in Japan	100%	Domestic group companies (4)
	Prevent all forms of corruption	Zero violations of bribery* * Related regulations	0 incidents	Domestic group companies (4)
	Respect human rights	100% human rights due diligence coverage at seven regional headquarters* and India * Japan, North and Central America, EMEA, Greater China, ASEAN, Mercosur	100%	Global