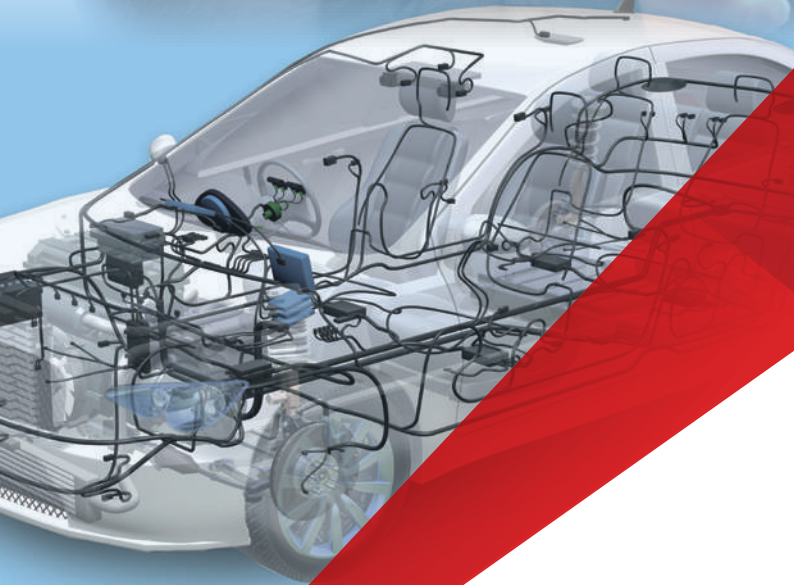


YAZAKI GROUP CSR REPORT **2020**



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Report Outline

Editorial Policy

The Yazaki Group has been publishing the CSR Report since fiscal 2002* to disclose information on corporate activities aimed at achieving a sustainable society and to enlighten employees. In this report, we describe the Yazaki Group's year-round efforts and achievements in line with our priority issues for promoting CSR while centering on our five stakeholders: customers, local and global communities, the global environment, business partners, and employees based on our CSR policy. We hope that this report will contribute to a deeper understanding of the Yazaki Group's CSR activities.

* Published as the Environmental Report in fiscal 2002 and as the Social & Environmental Report from fiscal 2003 to fiscal 2016.

Reporting Period

Fiscal 2019 (June 21, 2019 to June 20, 2020)

Organizations Covered

Yazaki Corporation and consolidated companies in Japan and overseas

Reporting Cycle

Published each year as an annual report

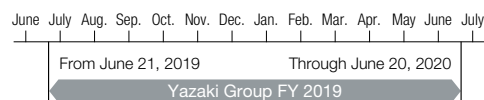
Guidelines Consulted

GRI (Global Reporting Initiative) Standards

How to Read This Report

Definition of fiscal year

The term fiscal year as used in this report means the period shown below:



Indication of organization responsible for each activity

Yazaki Corporation and consolidated companies in Japan and overseas are referred to as the Yazaki Group.

For activities conducted by other organizations, the responsible organization is specified in the text.

Reader Response Questionnaire

Please send us your comments on this report online through our website.



Please Visit our Website

While this report provides an outline of the activities of the Yazaki Group, our website will present more detailed information and data regarding all of our activities as it becomes available.

Please use the website together with this report.

<https://www.yazaki-group.com/global/csr/2020.html>



Yazaki Group 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 team-work, while empowering people's dreams.

Company Overview (As of June 30, 2020)

Company Name	Yazaki Corporation
Established	October 8, 1941
Representatives	Yasuhiko Yazaki, Chairman Shinji 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 1950) Yazaki Parts Co., Ltd. (established 1959) Yazaki Energy System Corporation* ¹
Number of Yazaki Group Companies*²	Group companies in Japan: 44 Group companies overseas: 98 Total: 142
Number of Group Employees*²	Employees in Japan: 18,139 Overseas employees: 225,584 Total: 243,723



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

*² Excludes equity-method subsidiaries, subsidiaries excluded from the scope of consolidation, affiliated companies, and related incorporated foundations
(partial changes have been made in the corporations and employee categories counted since fiscal 2018)

Corporate Data *for the YAZAKI Group*

The Yazaki Group at a Glance

Learn the characteristics of the Yazaki Group through its numbers.



Consolidated net sales

1,714 billion yen



Number of countries and regions where Yazaki operates

45 countries and regions

Americas	Asia	Europe & Africa
Japan 10 countries	11 countries and regions	23 countries



Percentage of net sales by region (consolidated)

Japan	Americas	Asia	Europe & Africa
34.1%	31.8%	16.7%	17.4%



Number of employees

243,723

18,139 in Japan
225,584 overseas

* Excludes equity-method subsidiaries, subsidiaries excluded from the scope of consolidation, affiliated companies, and related incorporated foundations (partial changes have been made in the corporations and employee categories counted since fiscal 2018)



Average number of continued employment years

18.0 years

Males: 18.3 years **Females: 16.9** years

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



Rate of parental leave usage by qualified employees (Females)

98.6 %

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



Number of employees dispatched to overseas sites from Japan

564

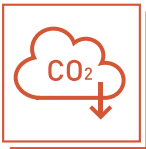
* Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation



Cumulative number of children taking part in Yazaki Summer Camp

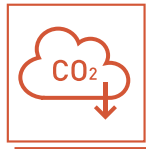
17,679

* For details on camp activities, see "Yazaki Summer Camp" on p. 39.



Percentage reduction in CO₂ emissions per unit
(Compared with fiscal 2010)

35.5 %



Contribution to reducing CO₂ through products

662,000 tons



Area of Yazaki Forest in Yusuhara Town, Kochi Prefecture

42 ha

* We work together with locals of Yusuhara-cho, Kochi Prefecture to maintain a region of the Kujukumagari Mountain Pass as the "Yazaki Forest."



CSR policy Number of translations

8 languages

Business Segments Supporting Society

Products for Safety and Protecting the Environment

CARS

DAILY LIVES

COMMUNITIES

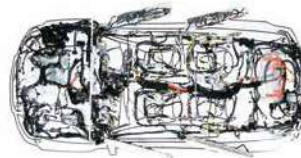
FOR

CARS

Yazaki provides a wide range of products with a focus on wire harnesses, 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



Junction blocks

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.



DTG7 digital tachograph



Arofriend 27, a taxi meter compatible with wireless LAN

Charging Connectors

Yazaki's 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

FOR

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 600V lineup



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



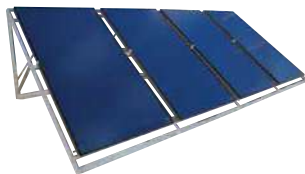
U-Smart ultrasonic gas meter



LPWA wireless equipment

Solar Equipment

We leverage solar heating technology refined over many years to provide solar heating products for household and commercial use that meet customers' needs.



Eco Solar Multi split-type solar water heating system



Air-conditioning Equipment

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



Bio-Aroace wood pellet-fired absorption chiller-heater

FOR

COMMUNITIES

We actively endeavor to be a business needed by society through such means as reducing environmental impacts and contributing to local communities.

Environment & Recycling

We contribute to environmental conservation through businesses that reuse toner cartridges and recycle waste paper.



Reused toner cartridges



Paper foam cushioning material

Nursing Care

We operate community-based care centers at eight locations across the country.



Yazaki Care Center Kamifusen

Agriculture

We engage in community-based agribusiness. We manufacture agricultural machinery and rent farmland to grow regional specialty vegetables and rice.



Growing tomatoes in a plastic greenhouse A field of white leek

Message from the President



All our employees are united in efforts to stop the spread of COVID-19 and to ensure the continuity of our business.

My heart goes out to everyone who has contracted COVID-19 and to everyone whose lifestyle has been negatively impacted. I would also like to express my deepest respect and gratitude to all health care professionals on the frontlines facing these challenges and to all stakeholders who are working in support of economic activity and the functioning of society.

Our daily lives have undergone great upheaval due to the COVID-19 pandemic. The impact of COVID-19 on the Yazaki Group, which has expanded to 45 countries and regions worldwide, has been greatly felt. The global economy has gone into sharp decline, and we recognize that the business environment in which we operate is in extremely difficult situation. However, in order for the Yazaki Group to sustainably continue development in the midst of such a difficult situation, it is important for all employees to be united in facing this challenge while we prioritize the safety and peace of mind of each and every employee. Amidst the current COVID-19 pandemic, I am reminded of the importance of the Yazaki Group's internal management, and of its BCP (Business Continuity Plan) in particular, which includes ensuring a safe work environment and cooperation with suppliers. COVID-19 Crisis Management Team which was established under the supervision of our vice-president, has coordinated a global response with the participation of our overseas executive management to prevent major disruptions from occurring, and we will further strengthen the organizational structure of management to prepare for a prolonging of the pandemic's impact and unforeseen situations.

We regard this shift in the automotive industry as an opportunity to provide new value.

In the automotive industry, new mobility concepts known as CASE*¹ and MaaS*² and new technologies and services see increasing adoption, causing an ongoing shift in values from object-oriented to experience-oriented, and a transition in the industry itself from automobiles to mobility. And in the midst of this momentous once-in-a-century revolution, a reorganization across industry boundaries has begun everywhere you look.

I believe that this transition presents a major opportunity for the Yazaki Group, which provides a wide variety of car electronics parts. In order to seize this opportunity, we are pushing ahead with efforts to strengthen our future-oriented business foundation. Specifically, the Mobility Operation, which was established in fiscal 2019, will be at the center of our vision for the future in the mobility field, and our aim is to enter into new business and expand by leveraging the collective strengths of the Yazaki Group. We are also aggressively creating new businesses that take advantage of artificial intelligence (AI) and digital technology.

Ensuring the joy and happiness of all stakeholders is what motivates us to grow. In these turbulent times, we will pay attention to society's problems, identify with certainty what they need from us, and propose new value without being confined to conventional areas through management based on the Yazaki Group Corporate Policy, which calls on us to be "A Corporation in Step with the World" and "A Corporation Needed by Society."

*1 CASE is an acronym for Connected, Autonomous/Automated, Shared, and Electric.

*2 MaaS is an abbreviation for Mobility as a Service. It is the integration of various transport services — trains, buses, taxis, trucks, and ride-sharing — into a single mobility service through IT.

Identifying Society's Needs with Certainty and Contributing to the Achievement of a Sustainable Society Through Monozukuri

President, Yazaki Corporation



Aiming to increase corporate value even further by addressing priority issues

With a focus on achieving both a sustainable society and the development of the Yazaki Group, we identified six priority issues for promoting CSR in fiscal 2018. When we identified these issues, we considered SDGs (sustainable development goals), the requests of stakeholders, the Yazaki Group Corporate Policy, our business strategy, and so on, and we discussed not only with relevant divisions but also with outside experts as to what kind of social issues we should apply the strengths of the Yazaki Group toward in fiscal 2019 to ensure that we make steady efforts to tackle these priority issues and produce real results, we first focused on activities to spread awareness and information among employees regarding priority issues and SDGs. Going forward, we will continue to link these issues to our medium-and long-term strategy and the policies and missions of each division while reviewing and revising, wherever necessary, the priority issues we have identified to ensure that they remain in line with social trends and our business strategy.

I am always telling people how crucial it is to “think globally, act locally.” Taking a global view and understanding each country and region’s culture, history, customs, and values are important for the sustainable development of both society and the Yazaki Group. We will continue to seek an understanding of the crux of each priority issue and to engage in activities that will lead to real solutions. The 17 SDG objectives also present numerous challenges that need to be addressed, including poverty, inequality, discrimination, and other human rights issues as well as climate change, loss of biodiversity, and resource depletion. These 17 objectives are all interrelated, and each goal is relevant to the Yazaki

Group’s global business development. We are taking a proactive stance in the way we promote our business toward achieving a bountiful future.

Contributing to the achievement of a sustainable society under the slogan “One for All, All for One”

The Yazaki Group has developed its business with a consistent desire to contribute to society through *monozukuri* (craftsmanship) on the basis of the Yazaki Group Corporate Policy. Now, with the world facing the COVID-19 pandemic, I feel that the Yazaki Group Corporate Policy is more meaningful than ever.

The Yazaki Group has faced numerous crises during its 80 years of history, including the 1970s Oil Crisis and the 2008 Global Financial Crisis, but we have overcome them all through mutual support among our stakeholders under our slogan “One for All, All for One.” It is precisely because of this present uncertainty that we need to reaffirm the belief that “everything begins in the actual worksite in *gemba* (actual work site),” which is our foundation as a *monozukuri* company. This belief, which could be regarded as the philosophy of the Yazaki Group, will never change, and continues to be incorporated in the president policy for fiscal 2020 in order to give each of us the opportunity to reassess and act upon the meaning and purpose of our roles and our jobs. Lastly, we will uphold an indomitable Foresight, Fortitude, and Service Mind as Yazaki spirit that we have cherished throughout our history. With our employees united, we will continue our pursuit of *monozukuri* that contributes to the achievement of a sustainable society.

The Yazaki Group's CSR Focus

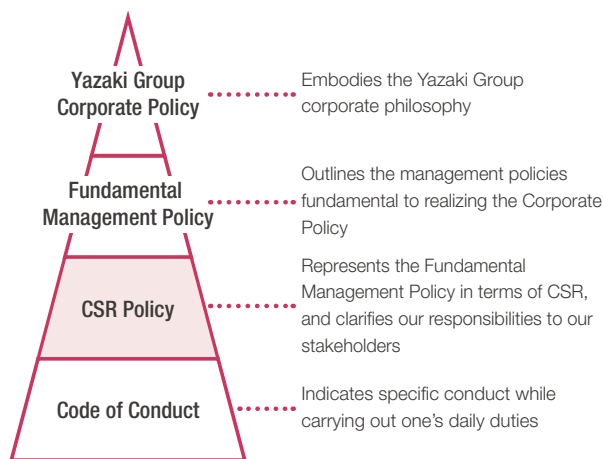
The Yazaki Group has been steadily carrying out CSR activities while striving to embody our CSR Policy. Going forward, we will continue to take a broad, long-term perspective with the aim of implementing more proactive CSR initiatives in order to contribute to the implementation of a sustainable society.

CSR Policy

The Yazaki Group 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 improving the capacity and creativity of our employees.

Social Issues and Sustainable Development Goals (SDGs) That the Yazaki Group Needs to Focus On

SDGs and Priority Issues for Promoting CSR

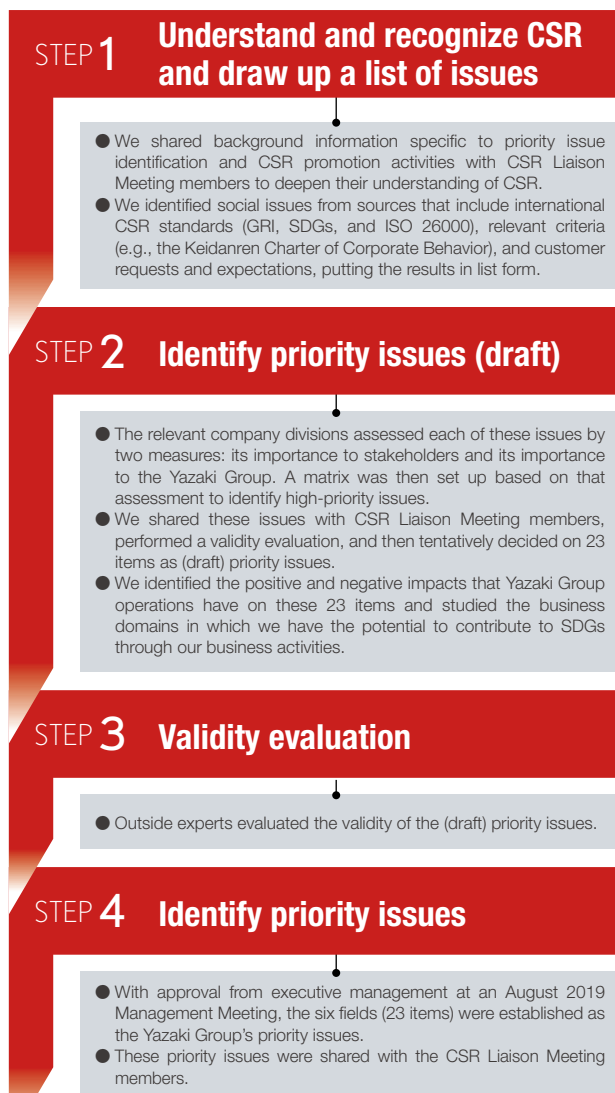
An enterprise's environmental and social initiatives have a greater and greater impact on its corporate value and its trade every year. Within the Yazaki Group, we identify the impact of the external environment on our company and the impact of our business activities on society. Because of how important we consider management to be, in fiscal 2018, we identified important issues related to CSR promotion to prioritize while incorporating the opinion of experts, in order both to solve social issues and to achieve the sustainable development of the Yazaki Group.

Contributing to SDGs

The Yazaki Group will contribute to the achievement of SDGs (sustainable development goals)* based on the awareness that we are a corporation that develops businesses in various countries around the world. In order to identify priority issues for CSR promotion, we sorted out the relationships between SDGs and the six fields (23 items) that were priority issues. In future, we will contribute to achieving SDGs by promoting efforts focused on priority issues.

We also enlighten and inform each and every employee with regard to SDGs so that we can contribute through our daily operations.

Priority Issues Identification Process



Looking Ahead

Going forward, we will be linking the identified priority issues with our medium- to long-term business strategy and the policies and missions of each division, practicing target management, and reporting initiative outcomes and progress on issues in our CSR Report. We will also review and revise the recently identified priority issues as appropriate in light of social trends and the direction of the Yazaki Group.

SUSTAINABLE DEVELOPMENT GOALS



* The SDGs (sustainable development goals) are a collection of 17 goals and 169 targets adopted by the United Nations in 2015 with the aim of resolving social issues such as poverty and hunger, energy, and climate change by 2030. It is expected that all countries and their people will bear a sense of ownership of the goals and cooperate with each other to take actions aimed at achieving the SDGs.

TOPICS CSR Education

“CSR News” is published in company newsletters and elsewhere within the Yazaki Group in Japan in order to help each employee proactively address priority issues related to CSR promotion and contribute to the achievement of SDGs. “CSR News” points out SDGs connected to familiar themes and features related operations and efforts of the Yazaki Group in order to enlighten and inform employees about CSR and SDGs. In fiscal 2019, we ran articles related to the plastic problems and greenhouse gases, among other topics.



The Identified Priority Issues

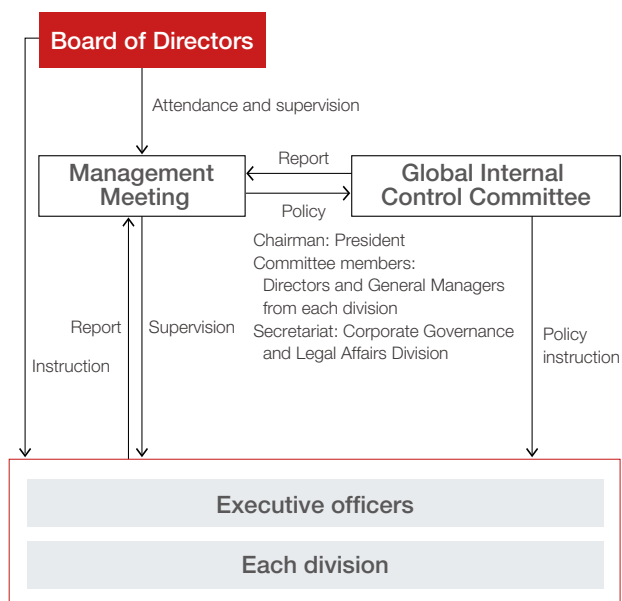
Main category	Subcategory	SDGs to which we can contribute	Approach
Offer solutions to increase society's prosperity	<ul style="list-style-type: none"> • Provide safe, high-quality products and services • Promote open innovation • Solve social issues through our business 	Future consideration to be given to which goals these will contribute to	▶ p.21
Build healthy and solid supply chains	<ul style="list-style-type: none"> • Promote CSR Procurement • Respect human rights 		▶ p.25
Establish a truly strong organization	<ul style="list-style-type: none"> • Promote diversity • Promote efficient work styles • Increase employee satisfaction • Develop the next generation of human resources • Respect human rights • Promote health management and strengthen occupational health and safety 		▶ p.28
Contribute to development of local communities	<ul style="list-style-type: none"> • Contribute to development of local communities 		▶ p.38
Strengthen the global environmental management system	<ul style="list-style-type: none"> • Strengthen the global environmental management system • Prevent pollution • Conserve biodiversity • Closely manage harmful chemicals • Mitigate and adapt to climate change • Use resources effectively • Respond to water problems 		▶ p.41
Enhance global governance and internal control	<ul style="list-style-type: none"> • Ensure management soundness, efficiency, and transparency • Strengthen risk management and BCM • Practice thorough compliance • Prevent all forms of corruption • Foster the corporate culture 		▶ p.52

Organizational Structure for CSR Promotion

Within the Yazaki Group in Japan, the Corporate Governance and Legal Affairs Division oversees the CSR Liaison Meeting. Managers of divisions with CSR functions gather at these meetings where they confirm the state of CSR promotion in each division, learn what issues have occurred, and share CSR information.

In addition, the Global Internal Control Committee, chaired by the President and comprising company directors and General Managers from each division, studies and deliberates important CSR matter at the Yazaki Group.

Diagram of Organizational Structure for CSR Promotion



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

The Yazaki Group has established a code of conduct that should be adopted by each and every employee to put our CSR Policy into practice.

The Yazaki Group in Japan has published the Code of Conduct Handbook, which combines the CSR Policy, code of conduct, and information from several consultation hotlines into one volume, and has distributed it to all employees, including those at subsidiaries. We have also produced localized versions for our overseas subsidiaries based on the Code of Conduct, which takes account of laws and regulations and customs in each country and region, and the regulations in each Yazaki workplace. We have our regional headquarters engage in dialogue with overseas subsidiaries that have their own codes of conduct in order to share with Yazaki employees the standards of behavior that they should observe.

By ensuring the implementation of the Code of Conduct, we will promote unified action at the global level so that each and every employee fulfills their social responsibilities.

Relationships with Stakeholders

The Yazaki Group does business in 45 countries and regions, and as such, our businesses are built upon relationships with all types of stakeholders. We will build trusting relationships with our stakeholders by practicing constructive dialogue and will endeavor to meet their expectations and demands.

Stakeholders	Opportunities for dialogue (Japan)
Customers	<ul style="list-style-type: none"> •Sales initiatives •Customer satisfaction surveys
Local and global communities	<ul style="list-style-type: none"> •Yazaki Summer Camp •Support to develop the next generation •Stakeholder meetings
Global environment	<ul style="list-style-type: none"> •Environmental education •Biodiversity conservation efforts
Business partners	<ul style="list-style-type: none"> •Global Suppliers Convention •Yaei-kai •Business partner briefings
Employees	<ul style="list-style-type: none"> •Labor affairs review committee •Employee satisfaction surveys •Yazaki-juku •Yazaki Corporate Culture Training

TOPICS Stakeholder Meetings

We have been holding stakeholder meetings at each production site in Japan once year since 2007. These meetings provide opportunities for local residents near our business locations and other interested parties to understand our business operations and environmental conservation activities by showing them and we receive their frank feedback and requests toward the Yazaki Group. The feedback we receive is shared with all production sites in order to improve our operations.



An actual worksite (*gemba*) tour as part of a stakeholder meeting at Tochigi Factory (in Nasukarasuyama, Tochigi Prefecture)



Initiatives in Mercosur Region: Aiming to Be a Corporation That Develops in Step with the Local Community

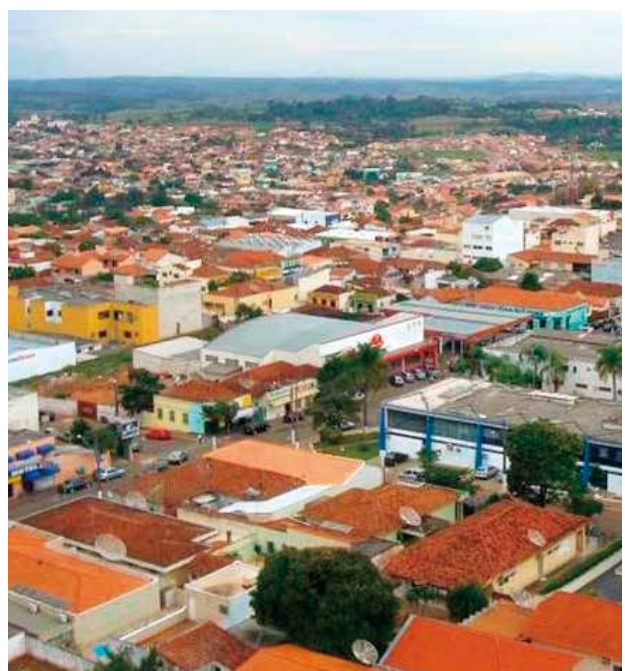
The business activities of the Yazaki Group have long been guided by a desire to develop in step with the local community based on the Yazaki Group Corporate Policy, which calls on us to be “A Corporation in Step with the World” and “A Corporation Needed by Society”. Since the Yazaki Group began manufacturing wire harnesses in Argentina in 1995, it has come to have operations in four countries of Mercosur region (the Southern Common Market in South America), including Brazil, Argentina, Uruguay, and Paraguay, and it has continued to expand with the support and cooperation of all stakeholders in the region.

This special feature is about the Yazaki Group’s initiatives in Mercosur region.

Issues Faced by Mercosur Region

Mercosur is a customs union established in 1995 with the aim of eliminating tariffs in the region. Six member countries*¹ are: Argentina, Bolivia*², Brazil, Paraguay, Uruguay, and Venezuela*³. This region used to be known as one of constant political upheaval and debt crises, but since 1990s, it has developed continuously as democracy and market its economies have taken hold. In recent years, these countries have also attracted attention on sources of natural resources, food, and energy, and their importance to the international community has been increasing.

However, as their economies develop, economic disparities are widening within the countries of the region, particularly in rural and mountainous areas, resulting in severe poverty. Additional problems are that poverty prevents people from receiving a minimal education, which is essential for social and economic development, and people are forced to live in inconvenient and unsanitary environments.



View of the city of Santo Antonio da Platina, where the SAP factory of Yazaki do Brasil Ltda. is located

*¹ Source website of the Ministry of Foreign Affairs of Japan.

*² Bolivia signed a protocol to join Mercosur in December 2012 and is waiting for the member country legislatures to ratify it. Bolivia currently does not have voting rights.

*³ In December 2016, the foreign ministers of Argentina, Brazil, Uruguay, and Paraguay informed Venezuela that its member status was suspended.

The Yazaki Group's Initiatives in Mercosur Region

As of June 2020, the Yazaki Group has six subsidiaries and nine factories with approximately 9,200 employees in Mercosur region, with Yazaki do Brasil Ltda. (Brazil) as a core company.

Our sites in Mercosur region manufacture wire harnesses and other automobile components. Wire harness is a labor-intensive component that is assembled by hand, one at a time, so a large number of people is required to manufacture them. Because of this characteristic of wire harnesses, the Yazaki Group has contributed to the development of local communities by creating numerous jobs in each country and region. In Mercosur region, we're also expanding our operations into communities that have few employment opportunities. Additionally, we actively listen to the needs of

the communities in which we operate and engage in a variety of social contribution activities while considering what can be done for those communities.

We are also focusing on human resource training at all our business sites in Mercosur region in keeping with based on the belief handed down to us from our founder that human resource development is the basis for a corporate development. Furthermore, we strive to create a work environment that allows employees to be themselves and to work with enthusiasm.

The next page describes our initiatives related to human resource development and diversity promotion as well as our social contribution activities, which are just a portion of our wide-ranging activities in Mercosur region.

Overview of Mercosur Countries Where the Yazaki Group Has Operated

Federative Republic of Brazil	Argentine Republic	Oriental Republic of Uruguay	Republic of Paraguay
Population: 209,470,000	Population: 44,940,000	Population: 3,450,000	Population: 6,960,000
Capital: Brasilia	Capital: Buenos Aires	Capital: Montevideo	Capital: Asunción
Official language: Portuguese	Official language: Spanish	Official language: Spanish	Official languages: Spanish, Guarani
Main industries: Manufacturing, mining, agriculture and livestock	Main industries: Agriculture and livestock, product manufacturing	Main industries: Agriculture and livestock, manufacturing, services	Main industries: Agriculture and livestock, cattle breeding, forestry
Unemployment rate: 11.9% (average from January to March, 2020)	Unemployment rate: 9.8% (2019)	Unemployment rate: 8.4% (2018)	Unemployment rate: 5.7% (2018)

Source: Website of the Ministry of Foreign Affairs of Japan

Production Sites in Mercosur Region (as of June 2020)

Yazaki do Brasil Ltda. SAP factory
Established 2004
Product: Wire harnesses
Employees: 1,224

Yazaki do Brasil Ltda. Sergipe factory
Established 2013
Product: Wire harnesses
Employees: 1,981

Yazaki Paraguay S.R.L.
Established 2013
Product: Wire harnesses
Employees: 1,052

Yazaki Brasil Minas Gerais, Sistemas Eletricos Ltda. Main plant
Established 2015
Product: Wire harnesses
Employees: 960

Yazaki do Brasil Ltda. Colonia plant
Established 2005
Product: Wire harnesses
Employees: 700

Yazaki do Brasil Ltda. Head office & factory
Established 1997
Products: Wire harnesses, Meters
Employees: 1,018

Yazaki Uruguay S.A. Montevideo plant
Established 2010
Product: Wire harnesses
Employees: 166

Yazaki do Brasil Ltda. Iрати plant
Established 1998
Product: Wire harnesses
Employees: 924

Yazaki Uruguay S.A. Montevideo plant
Established 2010
Product: Wire harnesses
Employees: 166

Yazaki Argentina S.R.L.
Established 1995
Products: Wire harnesses, Meters
Employees: 1,037

Note: Yazaki do Brasil Ltda. Bonito factory is expected to begin operating in June 2021.

Promoting Human Resource Development and Diversity

Providing Employee Skill Development and Training Opportunities

The Yazaki Group has placed great importance on personnel development since its founding. We provide study opportunities for employees at each business site in Brazil through an in-house training program. We also actively promote human resource development in local communities through manufacturing by conducting educational programs related to wire harnesses for students.

●Offering a Study Program for Employees

At Yazaki do Brasil Ltda. and Yazaki Brasil Minas Gerais, Sistemas Eletoricos Ltda., we offer “the EJA* Program” that allows employees who haven’t been able to receive a proper school education to participate in junior and senior high school programs while they work. This program invites teacher from outside and on-demand online learning is available to any employee who wants to learn. We offer such flexible learning styles by taking into account the way that employees work. This allows more employees to take advantage of the program. Also, at Yazaki do Brasil Ltda. Bonito factory, we promote the acquisition of specialized knowledge needed for manufacturing, based on a program developed in cooperation with local educational institutions. These activities help each and every employee to advance in their careers.

*EJA is an abbreviation for Educação para Jovens e Adultos.

●Providing for Students Specialized Education on Wire Harnesses

In Brazil, work experience gained through internships tends to be valued during job-seeking. Yazaki do Brasil Ltda. internship program offers six months of training related to wire harnesses. Upon completion of this training, students who wish to be hired can join the company after receiving a work evaluation and interview and can become effective members immediately. And even if a student is not hired, the student is able to improve his or her individual skills, which will assist with finding a job in the future.

Promoting the Employment and Success of People with Disabilities

The Yazaki Group strives to create a work environment that allows all employees to take advantage of their own skills and aptitudes and to work with enthusiasm. Yazaki do Brasil Ltda. has launched “the Eficiente Program” as part of its efforts to promote the hiring of people with disabilities. In addition to creating a work environment that allows people with disabilities to work in comfort, this program also promotes that kind of corporate culture both inside and outside the company in order to recruit a diverse workforce.

●The Eficiente Program

Objectives:

- Achieves the legally required percentage of employees with disabilities. (In Brazil, at least 5% of the employees in a workplace with 1,000 or more employees must be people with disabilities.)
- Develops the skills of employees with disabilities.



Program specifics:

- Trains managers.
- Establishes regulations related to hiring people with disabilities.
- Analyzes work domains in which people with disabilities can be successful.
- Conducts fair and impartial evaluations.
- Promotes understanding of employees’ families.

VOICE

Yazaki do Brasil Ltda. Bonito factory offers employees hired in order to begin operating in 2021 a basic educational program related to manufacturing that was developed in cooperation with SENAI*. The main industry in the city of Bonito is agriculture, and receiving an education in new specialties, such as quality control, health and safety, and the 5S approach will lead to the development of new skills in each individual. I am convinced that this initiative by the Yazaki Group is a major step in the development of Bonito in terms of human resource development.

*Serviço Nacional de Aprendizagem Industrial (Brazil’s National Service for Industrial Training)



Mayor of Bonito, Brazil
Gustavo Adolfo



Education in action

VOICE

I feel that this initiative, which promotes the creation of a work environment in which everyone can maximize their abilities, regardless of whether or not they have a disability, is significant in order for our company to continue to grow sustainably. I am also incredibly happy that working together with fellow coworkers who have disabilities helps them achieve personal growth in their social lives.



Yazaki do Brasil Ltda.
Meiriely Martins de Barros



Employees in the workplace

Social Contribution Activities

Contributing to Development of Local Communities

Each business site in Mercosur region actively promotes social contribution activities in which numerous employees participate, with the aim of achieving local development and a wealthier society through solutions to local problems.

● Depend on Us

This program was launched in 2011 to create an environment in which employees could voluntarily participate in volunteer activities. Employees join teams to investigate

local problems, determine specific actions to take, and perform volunteer work at local schools, hospitals, and orphanages. At the conclusion of that volunteer work, the program secretariat issues participation certificates to the employees that participated and hosts a thank-you party for them, which helps to foster a sense of social contribution among employees.



Employees repairing the exterior walls of a hospital

● Warm a Heart

“Warm a Heart” is a program launched in 2016 that gives used clothing and unneeded blankets to charity groups in May each year. It contributes to the promotion of social welfare through donations of used clothing and other items to people who are in need.



Used clothing donation

VOICE

I am incredibly happy to be able to help solve local problems through “Depend on Us.” This program includes a variety of initiatives, such as renovating school buildings and providing art for hospital walls. I feel that working as a team fosters a sense of unity among employees and has a positive effect on our daily work.



Yazaki Argentina S.R.L.
Jessica Lis Fabbiani

VOICE

I have spent many years doing volunteer work for a variety of organizations, and I feel that helping others is incredibly rewarding. Volunteer work includes a wide range of activities. Sometimes it’s listening to people with problems, and sometimes it’s providing food and clothing. Through these activities, I have seen environments that were different from my own daily life and learned about the various realities that exist. I have also gained an understanding of what I can do for society. I believe that volunteer work is incredibly meaningful and important, both for society and for me personally.



Yazaki Uruguay S.A.
Yesica Pino

Top Message



Aiming for a Better Future in Step with the Local Community

As a member of the Yazaki Group, we carry out a variety of initiatives with the aim of achieving the Yazaki Group Corporate Policy, which calls on us to be “A Corporation in Step with the World” and “A Corporation Needed by Society”. The fact that these activities are highly regarded not only by our customers but also by local communities pleases me greatly. We will continue to contribute to the sustainable development of our communities through our business activities, and we aim to boost the careers of each employee and to create a better future for local communities.

President, Yazaki do Brasil Ltda.

(Also President of affiliates; Yazaki Autoparts do Brasil Ltda., Yazaki Brasil Minas Gerais, Sistemas Eletoricos Ltda., Yazaki Argentina S.R.L., Yazaki Uruguay S.A., and Yazaki Paraguay S.R.L.)

Lázaro Figueiredo



The Mainichi Newspapers Co., Ltd.
Editorial Board Member
Yukiko Motomura

Yazaki Corporation
Chairman
Yasuhiko Yazaki

Interview Training Workers Who Can Act Globally to Realize the Yazaki Group Corporate Policy

Yazaki Corporation Chairman Yasuhiko Yazaki sat down for an interview with Yukiko Motomura, a member of the Editorial Board at The Mainichi Newspapers who is familiar with changing social conditions, to discuss what is needed and what issues must be focused on by the Yazaki Group, which is developing its business globally, in order to contribute to a sustainable social manufacturing in a time when social issues are becoming more diverse and complex.



Motomura: The COVID-19 pandemic is a topic related to 2020 that I can't avoid mentioning. It must have brought about some significant changes at your company.

Yazaki: Although the situation has mostly settled down for now, the Group's overall business activities have been impacted by the suspension of operations

at our production plants and by restrictions on the movement of people between business sites. Our employees have adopted a new way of life that includes working from home as part of our preventative measures.

Motomura: For a company like yours that has numerous production lines, the introduction of working from home might cause a lot of difficulties.

Yazaki: Actually, employees in our manufacturing worksites cannot work from home. So in order to continue our work activities in a way that prioritizes our employees' safety and peace of mind, we make a point of wearing masks and washing and sanitizing hands, and each employee is committed to applying their own wisdom to prevent infection.

When I think about situations like this, the world has faced difficult problems before, such as wars and natural disasters, but each time, people overcame such problems by sharing their wisdom. I think it will be the same this time as well. A crisis isn't just something to fear. We should think of it as an opportunity to create new wisdom and new forms of cooperation. What do you think, Ms. Motomura?

Motomura: The world undoubtedly faces a major crisis with the COVID-19 pandemic right now, but at the same time, I would like to view the situation positively as a stocking-up period for changing the world. We humans have always prioritized economic activity, which has caused the various crises we are facing now, such as climate change, tropical deforestation, and chemical pollution, but we were left with the feeling that those were far-off matters that didn't concern us. However, I think we are finally realizing, now, that we have reached the point of no return. I myself was born during a time of major economic growth, so I've never really experienced a situation where the whole world watched with bated breath. For example, I think we saw the Cold War as something that had nothing to do with Japan. However, COVID-19 does not distinguish between people or places. I think the time has finally come for us to share a sense of global crisis.

Yazaki: I think you're right. Speaking of shared crises, our company has sites in 45 countries and regions around the world, and we do business out of a shared desire to provide

great value to our customers. That's why it doesn't really seem out of place for us to share the same global issue or topic.

Motomura: By now, you've already developed your business globally, but when you first started expanding overseas, you must have had difficulty getting people to adopt Japanese-style business.

Yazaki: Different countries and regions have different values and beliefs, so imposing our own way of doing things doesn't work. Cleaning offices is one example. Cleaning is an important element in promoting high-quality craftsmanship. However, while cleaning has become customary in Japan, more than a few countries where our company has expanded do not share that custom. It's hard to establish cleaning as a habit in those places, so what I've told the employees who are assigned to our overseas sites is, "You don't have to do anything special." Just continue doing what you normally do, like giving tables a quick wipe for example, and I think the local employees will gradually become aware of it and feel that "that's how things should be."

Motomura: Your company's summer camp for children is also a hands-on learning program, isn't it?

Yazaki: This activity originally started because we wanted to create summer memories for the children of employees who were busy with work, but now, the program is also available for children of our employees at overseas sites. It's an opportunity for children from different cultures to have interaction beyond nationality and region. There was something at this summer camp that pleased me. It was the fact that children coming here from abroad were interested in environmental conservation and reforestation projects. Previously, the children hadn't shown any interest toward those things, but I felt that their awareness had changed greatly these years. In fact, I think the interest in forests is increasing not only among children from the West, which are progressive when it comes to environmental conservation, but also among those from other Asian countries. On the other hand, I get the impression that Japanese people aren't interested in forests despite the fact that Japan has so many.

Motomura: Your company is collaborating with the town of Yusuhara in Kochi Prefecture on a project to utilize forest resources. Shikoku is a region where lots of young people in urban area quit their jobs and move from the city to work in forestry through self-harvesting, using smaller equipment to do whatever they can on their own without belonging to any forestry cooperative. What is your company's connection with Yusuhara?

Yazaki: We have a subsidiary that manufactures wire harnesses in Yusuhara, so it's a place we owe a great deal to. I saw the efforts of the local people to carry out environmental conservation related to the Shimanto River, which flows through Kochi Prefecture. That was what got me thinking that we could cooperate with them, so we launched a reforestation initiative.

Motomura: I think it is much too great of a task for one company alone to restore the forests in Japan. I think we can not bring about positive change without first establishing a shared understanding among interested parties, including the government and forestry cooperatives.

Yazaki: Yes, that's true. Reforestation takes time, and there is no easy way of going about it. That's why I strongly believe in the importance of listening to feedback from all the locals and having the government, local communities, and companies work together as a cohesive group.

Motomura: From what you say, it sounds like your company is involved in natural CSR. Even without considering CSR or sustainability, your company have already contributed

to a development of a sustainable society through the natural thinking and action based on CSR.

Yazaki: You probably feel that way because of the Yazaki Group Corporate Policy that we inherited from our founders, and which has taken root in us. Additionally, I think that if people continue doing each and every job with the belief that it is useful to society, then that will happen naturally.

Motomura: If it's just perfunctory, then I think people will find excuses not to do it. By the way, I've been covering the field of science and technology for a long time, and I prefer people who make things that exist away from view over those who make things that are outwardly seen. For example, it's obviously wonderful to win a Nobel Prize, but I'm interested in the people who create the machinery and materials that supported that Nobel Prize research. Take the wire harness in vehicles, for example. I'm captivated by this component that may seem rather unremarkable at first glance but is actually indispensable.

Yazaki: We don't really have the opportunity to encounter wire harnesses directly in our daily lives, but when I think about the value that they provide, I realize that they're incredibly interesting products. They extend throughout every part of the vehicle, connecting countless electronic devices and playing an important role in conveying electricity safely. That's why high quality is needed, and it's important to take pride in working behind the scenes to make cars safe and comfortable when we manufacture them. In that sense, I think they're quite a profound product.

Motomura: Lastly, what things have been important to you in managing your company?

Yazaki: I would have to say, it's people. The growth of our company to this point is the result of the growth of each individual employee. I want our employees to boldly take on challenges without fear of change. For my part, I want to firmly support the employees who are taking on these various challenges.

Motomura: I think if you develop a strong corporate culture as described by your company's Corporate Policy, you don't have to do anything special to nurture those kinds of people. However, that pillar can become unsteady or be lost altogether through corporate acquisitions. Cultural continuity is of utmost importance.

Yazaki: I agree completely. Allowing me to have this talk provided me the opportunity to reevaluate my company again. Thank you for sharing your invaluable feedback.

Profile

Yukiko Motomura

Editorial Board member, The Mainichi Newspapers Co., Ltd.

Graduated from the Kyushu University School of Education. Joined The Mainichi Newspapers Co., Ltd. in 1989. Moved to the Science and Environment Department in 2001. Member of the Editorial Board since 2019 after working at a desk and then as head of the aforementioned department. Won the first JASTJ (Japan Association of Science & Technology Journalist) Prize in 2006. She focuses on science communication activities and has taught at the University of Toyama and at International Christian University. She has given numerous lectures and appeared on television numerous times.





Offer solutions to increase society's prosperity

Themes Addressed in Pursuit of Solving Social Issues

- Provide safe, high-quality products and services
- Promote open innovation
- Solve social issues through our business



* Future consideration to be given to which goals these will contribute to

Vision

The Yazaki Group Corporate Policy, a constant anchor for our business, calls on us to be “A Corporation in Step with the World” and “A Corporation Needed by Society.” In line with this, we believe that continuing to provide the highest value to customers all over the world and contributing to society through manufacturing are the Yazaki Group’s mission and purpose to exist.

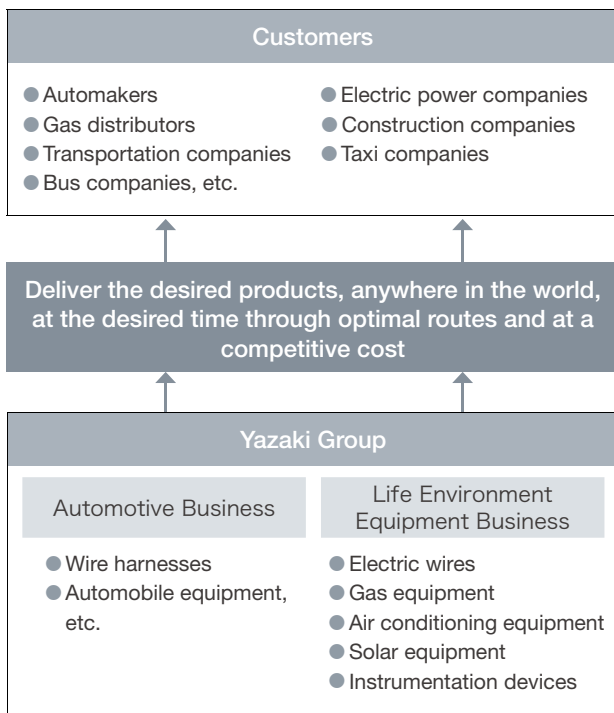
The Yazaki Group has maintained the Yazaki Spirit (Fortitude, Service Mind and Foresight) of our founder and predecessors. Therefore, we do not forget our origins as a manufacturing company and aim to make society more prosperous and offer solutions through our business activities.

Responsibilities to Customers

Basic Concept

Ever since being founded in 1941, based on our desire to connect to society through manufacturing and to provide the highest value to customers all over the world, the Yazaki Group has continually engaged in business activities to live up to the trust and expectations of society. To fulfill our responsibility to deliver the highest quality products, anywhere in the world, in a suitable time and at a competitive cost, we provide products and services that constantly delight customers. With this goal in mind, each and every employee of the Group considers and acts from the customer's position and aims to continue to be the best partner for customers.

Business and Customers of the Yazaki Group



Initiatives in the Automotive Business

In order to be aware of changing social trends and respond accurately to customers' demands around the world as a supplier shouldering the mobility society to come, it is critical that all related departments cooperate with each other. The Yazaki Group pursues orders in an integrated effort by the development, production, sales, and management divisions for each customer. We have also standardized work processes in the development of vehicle products. Based on these, we strengthen the collaboration between divisions so that we can take production preparation initiatives to respond promptly when our customers introduce a new model or make model changes. These processes enable the Yazaki Group as a whole to achieve each of its QCDE (quality, cost, delivery, and environmental attribute) goals in product development and effectively ensure the quality of work and help pave the way to improving customer satisfaction.

In regards to compliance with laws and regulations, we act to ensure that the activities are always conducted with completion including crossdivisional management.

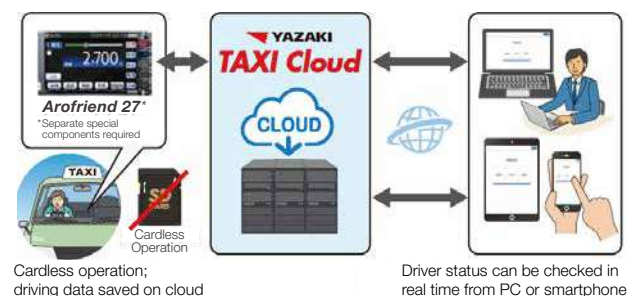
Initiatives in the Life Environment Equipment Business

Instrumentation Operations

Under the concept of connecting vehicles with infrastructure, our instrumentation operations seek to realize a smart community-based, safe, low-carbon society through instrumentation system products in relation to the issues facing a motorized society, including safety and security, environment and energy conservation, and efficiency and convenience in light of work style reform.

The Yazaki Group has built a nationwide service network centering on tachographs, and we are enhancing our after-sales service, including the installation, component replacement, and repair of instrumentation devices in collaboration with distributors.

We have also contributed to the safety of our customers and eco-friendly driving as well as improvement of the efficiency of vehicles and labor management with the *DTG 7*, a digital tachograph that matches the needs of each industry, the *Arofriend 27*, a digital tachograph with a built-in taximeter, and a cloud service for taxis.



Providing customers with taximeter fare information and the like in real time through a cloud system has made things more convenient and efficient. We have also achieved the industry's first fare revision via communications.

Electric Wire Operations

The Yazaki Group has experienced more than half a century in our electric wire operations with the manufacture and sale of power cables, communication cables, branch cables, and other products supporting social infrastructure. We also develop products environmentally friendly with the rapid commercialization and more of lead-free vinyl electric wires thanks to the removal of lead from vinyl material.

Since 2002, we have conducted seminars for all major electric material stores (partner shops) in various regions to develop understanding with the manufacturing methods and advantages of electric wires and cables. We held seminars in October and November during fiscal 2019 with a total of 71 participants (from 43 companies) attending and conducted factory tours and information exchanges among partner shops. We additionally held discussions concerning ideal order methods employing AI and ICT among other topic requests. Opinions or requests received during the discussions are passed along to each division concerned as feedback. We aim to move forward with improvements in our customers' operational efficiency in addition to that of our own as well as customer satisfaction, and plan to construct a communication platform on the Yazaki Group website.



A seminar for partner shops

Gas Equipment Operations

The Yazaki Group first started selling LP gas meters in Japan in 1963, and we have been providing a variety of products and services since to ensure the security and revitalization of the LP gas industry.

As part of this effort, we hold developmental training for gas distribution businesses and designated gas equipment service shops four times a year. The training is held with the purpose of attaining authorized LP-gas facilities manager qualification based on the idea that safety is essential to business. In fiscal 2019, 73 participants attended with 69 passing the authorized LP-gas manager test. So far, a total of 1825 participants and 1736 trainees passed the test. We also occasionally analyze trends with the questions on the final examination and reconsider our study materials for lectures which are even easier to follow.



During an LP-gas facilities manager lecture

TOPICS

Development of a Water Server Born from the Voice of the Customer

As the environment surrounding the energy industry changes significantly with the liberalization of electricity and gas, the Yazaki Group has sought to expand its business domains and developed the new *QuOL* water server with sales starting in October 2019.

In the development phase, we directly spoke with residential water service users through the help of gas distributors and residential water supply businesses. Through this dialogue, we understood the worries and other concerns held by users and unearthed hidden needs, such as the desires for room temperature water which can be drunk and used in cooking and to take medicine, for a pouring space in which rice cooker pots and water bottles can be placed, and for functions allowing use in dark areas like in the middle of the night. As a result of our determination to solve these issues and improve ease of use, we succeeded in developing a product which can be used safely and comfortably by everyone from children to the elderly.



Environmental System Operations

Our environmental system operations strive to make use of sustainable timber resources in the creation of new added value for local economies. We also strive to contribute to the creation of systems which can realize energy independence and the recycling of timber resources by upstream-to-downstream function enhancement and clusterization as well as partnership with industry, government, and academia.

Specifically, our subsidiary Techno Yazaki Co., Ltd. is involved in design and construction pursuant of environmental friendliness and economic efficiency for local energy demands by providing optimal system equipment and minimizing energy consumption. Through this, we believe we are able to contribute to the maximization of our customers'

value and the realization of a sustainable energy society.

With our heat supply systems using wood biomass, we continue to work with the goal of decreasing the total expenses (installment and maintenance costs) of conventional systems by 30%. In fiscal 2019, we partnered with boiler manufacturers and importer/distributors for a wood biomass heat supply system, and as part of the creation of a recycling-oriented, local regenerative business model run by Gumma Prefecture's Kawaba Village, we installed a wood biomass boiler at Hotel Denen Plaza in addition to a biomass chip boiler at the Setagaya Kumin Kenkomura Fujiyama Village.

In the future, we will continue on with the system's application management and improvement as we work to create cutting-edge wood biomass heat supply system models which offer added value to local economies.



Biomass chip boiler constructed for Fujiyama Village

Nursing Care, Agriculture & Food, and Environment & Recycling Business Initiatives

Wire harnesses, the Yazaki Group's key product, are labor-intensive and require significant manpower, so we began establishing new production sites. Through this, we were able to create jobs in those regions, contributing to the revitalization of local economies. However, as a result of the Yazaki Group moving more of its production sites overseas as the auto industry globalizes, the scope of our business in Japan has decreased. We thus began our business in nursing care, agriculture and food, and the environment and recycling to preserve local employment and solve the issues of each region, such as declining birthrates and aging population, and depopulation.

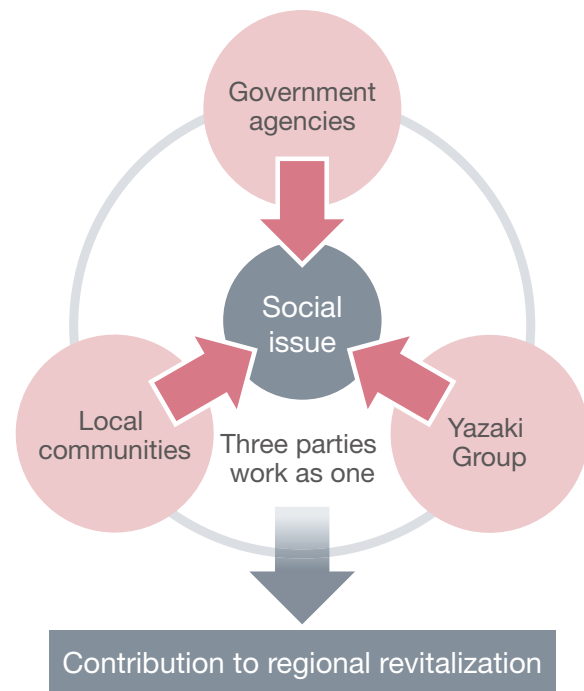
These businesses were a first-time endeavor for the Yazaki Group, a manufacturing enterprise, and proved to be quite a challenge. Even so, Yazaki Corporation and seven of its affiliate companies have stepped into the nursing care business, and five affiliates in the agriculture and food business are growing specialty produce in different regions and producing processed foods using the characteristic ingredients from those regions. As for our environment and recycling business, we are working in manufacturing and sales from the reuse of printer toner cartridges and cushioning

made from recycled postcard cutting waste.

In fiscal 2019, we reviewed the environment and changes in needs surrounding this business together with members from local communities and moved forward with the reconstruction of sustainable business necessary to each region.

Taking one step further, we launched the Local Wood Biomass Circulation Program and have worked in it together with Yusuhara Town, Kochi Prefecture since 2005 as a means to solve the growth in recent years of issues relating to forest devastation and natural disasters stemming from changes in the natural environment. We then started the Reforestation Project with the goal of providing new circulation to forests by protecting them and revitalizing the forest industry.

We will continue working together with communities in business which has a connection to solving social issues.





Build healthy and solid supply chains

Themes Addressed in Pursuit of Solving Social Issues

- Promote CSR Procurement
- Respect human rights



Vision

With social issues growing more diverse and complex, it is important for us to practice CSR not only within our Group but throughout the supply chain. The Yazaki Group aims to try to solve social issues by sharing its CSR policies and targets with its suppliers and collaborating with them. Fair, just, and sincere trade with suppliers is fundamental to this effort. In order to survive the intense competition in the global market, moreover, we will work for coexistence and co-prosperity with our suppliers, build solid strategic partnerships with them, and establish systems enabling us to respond quickly to changes in the management environment.

Responsibilities to Business Partners

Basic Concept

Based on the principle “Conduct business openly and fairly, and aim for coexistence and co-prosperity” as found in our Fundamental Management Policy, the Yazaki Group maintains a fair, just, and transparent relationship with suppliers and conducts transactions with integrity. We establish medium- to long-term targets with our suppliers, make cooperative investments, and share the benefits of new development and cost-cutting to ensure transaction possibilities to the maximum extent according to our Purchasing Guideline.

In addition to this, we comply with the laws and regulations of each country and region, in order to maintain fair competition.

Action Guidelines Specified in the Purchasing Guideline

1. Conduct business openly and fairly
2. Strengthen competitiveness together with purchasing business partners
3. Aim for coexistence and co-prosperity with purchasing business partners
4. Share issues and target in cost reduction activity and its achievement
5. Ensure interactive communication based on mutual trust

Initiatives in the Supply Chain

Efforts for CSR Procurement

The Yazaki Group has issued and distributed the Supplier CSR Guidelines in order to have a common understanding of CSR with suppliers and to conduct CSR activities together with them. In addition to requesting our suppliers to promote CSR activities in accordance with the Guidelines, we have urged suppliers to also promote CSR activities with their own suppliers based on the Guidelines.

In fiscal 2018, we distributed the Supplier CSR Self-Assessment Check Sheet to suppliers and asked them to conduct self-assessments to confirm whether their CSR activities were progressing as based on the Guidelines. The results of the assessments were shared with the suppliers as feedback. We prioritized setting up opportunities for

direct dialogue with those suppliers needing improvement according to their scores, and took action to help them improve their efforts.

We have been reexamining the Supplier CSR Guidelines since fiscal 2019 to further meet the expectations of our various stakeholders. We will continue collaborating with suppliers to promote CSR procurement.

Initiatives Concerning the Spread of Novel Coronavirus Infections

Due to the spread of the COVID-19, the Yazaki Group implemented the COVID-19 Impact Survey among 702 domestic and overseas suppliers of raw materials, electronics, instrumentation, wire harness parts, facilities and materials, and logistics in response to our BCP. This survey asked the suppliers about issues and responses regarding their business conditions and any requests they might have for the Yazaki Group, with results subsequently shared as feedback.

In May of 2020, we additionally held the COVID-19 Information Sharing Conference as an online meeting for member companies in the supplier cooperative, *Yaei-kai*. There, we offered explanations on the infection status of different countries, the Yazaki Group’s operational status and initiatives, and the COVID-19 Impact Survey’s results. We will go forth making an effort to strengthen our BCP and build a solid supply chain.

Thorough Management of Environmentally Hazardous Substances

With the goal of further strengthening our management of environmentally hazardous substances, we held the Environmentally Hazardous Substance Survey Tool Replacement and Management of Chemicals Briefing on October 15, 2019.

This briefing once again explained the overall image of the Yazaki Group’s management of chemicals and then spread the word about details in important points relating to the unification of the necessary surveying and reporting tools as well as data creation. We will continue working with suppliers in the thorough management of environmentally hazardous substances.



During the briefing

Yazaki Global Suppliers Convention

The Yazaki Global Suppliers Convention is held annually to share procurement policies and issues and seek coexistence and co-prosperity with our suppliers through two-way communication.

At the convention held in August 2019, 153 domestic and overseas suppliers of raw materials, electronics, instrumentation, wire harness parts, facilities and materials, and logistics participated. The President explained the accomplishments and management environment of the Yazaki Group and the management/action policies for fiscal 2019.

The General Manager of the Purchasing Division shared the general situation surrounding the Yazaki Group as well as its procurement policies, namely “Reinforcement of supply chain management, Reconstruction of the compliance system, Improving earning capacity and Challenges for change.” He explained again the aim for coexistence and co-prosperity based on the spirit of “walking together and growing together” with suppliers.

Moreover, in an effort to deepen mutual cooperation with suppliers, a technology exchange meeting was held to provide a venue for suppliers and the Yazaki Group to exchange technology and “notice things” that could lead to new business. We received proposals from the 19 participating suppliers for reinforcing the competitiveness of the Yazaki Group’s component business. The meeting also served as an opportunity for participating suppliers to exchange views with other suppliers in addition to highlighting movements aimed at the optimization of global procurement, products in development, and other topics from the Yazaki Group.



The technology exchange meeting

Efforts for Co-existence and Co-prosperity with Suppliers

The Yazaki Group runs the supplier cooperative for co-existence and co-prosperity, *Yaei-kai*. The Yazaki Group urges *Yaei-kai* to promote CSR throughout the supply chain and ensure constant management through regular meetings and information exchange meetings.

We also hold a study session based on the procurement

policies of the Yazaki Group as part of our activities as we work to enhance each other’s corporate value. For our regular meeting in fiscal 2019, we invited an outside instructor and held a study session.

Conflict Minerals Survey

The Yazaki Group promotes responsible procurement activities to avoid violating any human rights or contributing to environmental destruction, either directly or indirectly, and other such acts.

We cooperate with our suppliers and groups in various industries in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the OECD Due Diligence Guidance (Organisation for Economic Co-operation and Development), and other social requirements related to procurement as we fulfill our social responsibility in procurement activities. Each year, we look back through our supply chain and survey the smelters locally producing the specified metals (tin, tantalum, tungsten, and gold) used in Yazaki Corporation products to make sure there are no risks in those regions or areas of concern in our CSR procurement. Also, as a member of the Responsible Minerals Initiative (RMI), an international organization addressing conflict minerals, we contribute to identifying smelters, for example by participating in regular meetings and smelter audits.

In the future, we will continue to aim for conflict-free procurement of raw materials while pursuing further collaboration with our suppliers and various industry groups.



[YAZAKI Global Responsible Mineral Policy](https://www.yazaki-group.com/global/csr/conflict.html)

<https://www.yazaki-group.com/global/csr/conflict.html>

Human Rights Initiatives

Any human rights risks, such as child labor and forced labor, in supply chains are something which must be addressed. In the Yazaki Group, we ask that all our suppliers observe our Supplier CSR Guidelines, including human rights and labor matters such as child labor and forced labor; monitor the status of their observance using the Supplier CSR Self-Assessment Check Sheet; and urge them to make any necessary improvements.



Establish a truly strong organization

Themes Addressed in Pursuit of Solving Social Issues

- Promote diversity
- Promote efficient work styles
- Increase employee satisfaction
- Develop the next generation of human resources
- Respect human rights
- Promote health management and strengthen occupational health and safety



Vision

The employees that will provide value to customers and the community must grow if we are to survive the competition of the global market and attain sustained growth.

The Yazaki Group believes that realizing our Fundamental Management Policy principle “Care for people by creating a corporate culture that prioritizes individuality and team-work, while empowering people’s dreams.” will allow us to grow as an enterprise. In keeping with this belief, we aim to establish a satisfying working environment in which all employees can work to the best of their abilities and diverse work styles can be accommodated, and we aim to continually increase our organizational capability and productivity.

We will also focus on promoting diversity, developing human resources that can work globally, and securing excellent personnel with outstanding skills.

Responsibilities to Employees

Basic Concept

We strive to be an attractive for enterprise our employees and other stakeholders as it creates a personnel system and workplace environment responding to changes in the social environment, the needs of its employees, and other factors.

Sincere Dialogue with Employees

The Yazaki Group believes mutual understanding and trust between labor and management are connected to the growth and development of both its companies and employees, and improves its personnel system and workplace environment in collaboration with the Yazaki Labor Union. We focus on the realization of one of the declarations, creation of a corporate atmosphere and culture that fosters workers' mental and physical health, included in the Yazaki Group Labor-Management Joint Declaration. A labor affairs review committee meeting and branch office labor-management conferences are held monthly in addition to an annual labor council to examine regulations and verify performance. We also strive for the exchange of opinions between labor and management through biannual branch office visits. In fiscal 2019, in our response to COVID-19, the sincerity of conferences between labor and management advanced due to the feeling that employee safety is of the utmost importance. We will continue to promote activities aimed at a better working environment through the collaboration of labor and management.

Establishing a Comfortable Workplace

In April 2019, laws relating to work style reform were enacted for the implementation of more diverse and flexible work styles protecting the bodies and minds of workers. In response to this, the Yazaki Group is enforcing the upper limits on overtime work and making sure that employees take five days of annual paid leave every year, and we have an attendance management system in place to help workers and their superiors see plainly how many overtime hours workers have put in and whether they have taken their paid leave. The Yazaki Group is also conducting training to manage labor and raise awareness of work style reform. Going forward, we will continue to abide by laws and ordinances for the safety and security of our employees while also providing not only safe,

comfortable workplaces but satisfying workplaces in which employees can continue to grow.

Further Enhancement of Personnel System

The Yazaki Group operates a personnel system called Rewarding Employees Who Worked Hard to properly evaluate any employee motivated in their roles and producing results. In fiscal 2019, we stepped forward with initiatives focusing heavily on training for management and efforts to clarify plans and numerical targets between superiors and their subordinates when these goals are set with the aim of furthering the practice of setting appropriate goals for evaluations. In addition, we are considering making part of the evaluation index used for management at overseas regional headquarters the same as that used at domestic sites in pursuit of creating fair and just personnel evaluations throughout the Group. We will continue to constantly enhance our personnel system so that all our employees can work with a sense of motivation.

TOPICS COVID-19 Initiatives for Employees

The Yazaki Group has been sharing information on its measures against the COVID-19 among Japan and other regions and to assure employees their safety and security, minimize human suffering, and ensure the continuation of business, we have created the Guide for COVID-19 pandemic and Initial Guidelines for the Occurrence of Infection.

As for our response to employees, we have deemed working from home as a new possible work style, and in principle, have anyone able do so in addition to introducing flexible work hours and online training and meetings. For employees who do come to the office, we urge preventative measures against infection when commuting, at workstations, and more. If infection is confirmed at the workplace, we have an initial response procedure prepared and have put up partitions and other such equipment in the office with regular ventilation. We are additionally conscious of employees having to deal with events like elementary schools closing, and have established a new special leave for employees with children in addition to other flexible response initiatives.



Handcrafted partition

Respect for Human Rights

Basic Concept

In keeping with our Fundamental Management Policy, the Yazaki Group respects the human rights of all stakeholders involved in our business activities, noting international norms and national laws and customs. We respect the human rights of our employees too as we work to establish an environment to enable each and every employee to fulfill their potential.

Preventing Discrimination and Harassment

The CSR Policy of the Yazaki Group stipulates that we shall respect diversity and work to eliminate discrimination. Our Code of Conduct for employees states that we shall eliminate discrimination in all its forms, including those based on nationality, race, sex, sexual orientation, age, place of origin, educational background, family relationships, disabilities, religion, and differences in form of employment as an effort to respect diversity and do away with discrimination.

In Japan, we revised our Harassment Guidelines to respond to the Abuse of Authority Prevention Act* enacted June 2020, and read the Guidelines aloud at each workplace to publicize them and raise awareness. We have also set up a harassment hotline where people can report incidents of harassment, and we have means in place to quickly discover and respond to situations that violate human rights.

* The Act Relating to Comprehensive Promotion of the Labor Policies and Improvement of the Employment Security and Working Life of Workers, Etc.

Preventing Child Labor and Forced Labor

The Yazaki Group takes a variety of initiatives to prevent child labor and forced labor in our supply chains. As for regarding child labor, we survey overseas sites on their compliance with minimum working age under international norms and national laws and ordinances. We have added child labor and forced labor as items in our compliance checks in Japan, and now understand the status of the four domestic Yazaki Group companies* as well as our domestic subsidiaries. We additionally do site audits of each company in the domestic Yazaki Group who take in technical interns. Moreover, we are auditing their internship programs using a check sheet that

includes items relating to child labor and forced labor.

Furthermore, we continually hold training with a human rights theme in our CSR training for employees who will be working abroad. In fiscal 2019, we began new CSR training for department managers and leaders, new employees, and mid-career employees, and have been working to instill understanding among employees concerning respect for human rights as well as child labor and forced labor. In our management meetings, we have shared the latest trends in human rights with management.

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

Responding to the UK Modern Slavery Act

In October 2015, the UK Modern Slavery Act 2015 came into force in order to eradicate modern slavery. Yazaki Europe Limited, with sites in the UK, and its parent company, Yazaki Corporation, have published statements against modern slavery in our supply chains on each website every year to ensure compliance with the requirements of the legislation.



Slavery and Human Trafficking Statement

https://www.yazaki-group.com/global/pdf/statement2019_e.pdf

Respecting Employee Diversity

Basic Concept

The Yazaki Group respects the diversity of our employees and provides equal employment opportunities. Specifically, we work to establish a working environment in which all employees can work to their full potential, regardless of nationality, race, sex, sexual orientation, age, place of origin, educational background, family relationships, disabilities, religion, differences in form of employment, and the like.

e-learning format for all employees during the three years since fiscal 2016. For international employees working with us in Japan, we employ adapted diversity training as an opportunity for them to learn Japanese business customs. Also, in fiscal 2019, we held life career training within our job promotion training for young and mid-level employees to create an opportunity to learn the importance of developing one's own career. In addition to this, we enacted the flextime system employed in some of our development divisions throughout our companies, making the flexible work system available to even more employees. By improving the awareness and motivation toward non-discriminate action between genders thanks to these efforts, we reached, ahead of schedule, our target of doubling the number of female management candidates and females in expert jobs compared to fiscal 2015 by fiscal 2020, set in our Yazaki action plan responding to the Act on Promotion of Women's Participation and Advancement in the Workplace (enforced in April 2016).

Going forward, we will continue to respect the diversity of employees and strive to enhance systems and create a corporate culture that encourages workplace participation and self-improvement.

Childcare / Nursing Care Support System

The Yazaki Group promotes the creation of a culture making it easy for employees to use childcare- and nursing care-related systems when needed. We established and began operating by rules that create opportunities for managers to explain our childcare support system to their subordinates in fiscal 2019.

We have also established a target increasing our current 2% rate of male employees using parental leave to 5% by March 2024, and will continue our efforts there in the future. (The rate of parental leave usage by female employees is 98.6%.)

Number of employees who took leave for childcare, nursing care, and elderly care (FY)

Category	2015	2016	2017	2018	2019
Parental leave	99	105	84	72	98
Short working hours due to childcare	177	172	190	222	206
Nursing care leave	64	74	86	85	109
Continuous elderly care leave	1	5	2	1	2
Short working hours due to elderly care	1	2	2	4	3
Elderly care leave	1	9	11	11	11

Promoting Work-life Balance and Active Roles for Women

The Yazaki Group is working on a variety of initiatives to create a workplace where all employees can work with high motivation and satisfaction. In an effort to foster awareness among employees, we have held diversity training in an

TOPICS

Reception of the Governor's Praise Award for Action Toward a Gender-equal Society

Shizuoka Prefecture commends individuals and groups proactively pursuing initiatives which promote gender equality. Tanshin Manufacturing Co., Ltd. (Kosai City, Shizuoka Prefecture) received the Governor's Praise Award at the 2019 Gender Equality Day Prefectural Awards (Female Empowerment Corporation category). Tanshin Manufacturing actively promotes female part-timers to full-time employees upon consideration of their abilities while also clarifying its assessment standards for salary increase and promotion to conduct fair personnel evaluations. In addition to this, Tanshin Manufacturing offers training programs corresponding to each employee's career and making their jobs easier so even inexperienced employees can tackle specialized work. The results have earned the company recognition for contributing to the creation of female team leaders.



During the award ceremony

Utilizing Older Workers and Passing on Expertise

The Yazaki Group strives to re-employ retired employees and set up the post retirement re-employment systems (the Anchor System and Elder System) in order to contribute to securing employment for older workers and to pass on their advanced skills and techniques to the next generation. In fiscal 2019, we employed 419 employees, including 103 new contract employees, for Anchor* positions, and 150 employees, including 39 new contract employees, for Elder* positions. From fiscal 2020, we will add a new post retirement re-employment system (the Senior System), letting employees enjoy the role of carrying out their work just as they did before retirement, and plan to even further enhance the environment into one in which senior workers can be active.

* Anchor targets permanent employees while Elder targets contract employees.

Expanding Employment and Occupations of Persons with Disabilities

The Yazaki Group has set forth the elimination of all discrimination in our CSR Policy, and we strive to create a working environment that enables all employees to make the most of their skills and aptitude and work with enthusiasm.

In terms of promoting employment of persons with disabilities, the Yazaki Group in Japan has standardized operations and reinforced follow-up systems along with creating a disability-friendly working environment. In fiscal 2019, 307 persons* with disabilities, including those newly hired. The employment rate of persons with disabilities was 2.47%*.

We established a recruiting page in Japanese for persons with disabilities from the Yazaki Group's main recruiting website in fiscal 2019 to propel forward our employment of a broader variety of personnel. In addition, we introduced a short working hour system with a maximum of two hours reduced from work time for employees with disabilities making long work hours difficult.

As for other efforts, we held an internal presentation in December 2019 with the theme of working with persons with disabilities during the Week for Persons with Disabilities. The presentation featured a talk by an outside instructor and highlighted internal case studies concerning the establishment of disability-friendly work. Participants in the presentation numbered 47 including recruiters of those with disabilities, employees working with persons with disabilities, and others.

In the Shizuoka Prefecture Special Subsidiary Liaison Council, of which Yazaki Business Support Co., Ltd. is a member, 126 people such as those with disabilities and their guardians as well as individuals from educational institutions and social workers attended. Topics such as what is necessary for someone with a disability to work and

issues surrounding those with and those without disabilities working together were discussed. In the future too, we will further the understanding about persons with disabilities and work to create a comfortable working environment for such individuals.

* Total of Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation, and special subsidiary Yazaki Business Support Co., Ltd. calculated based on the Act on Employment Promotion etc. of Persons with Disabilities.

TOPICS

Factory Tour for the PTA of a Special Needs School

Yazaki Parts Co., Ltd.'s Daito Factory (Kakegawa City, Shizuoka Prefecture) held a factory tour for members of the Kakegawa School for Special Needs Education Omaezaki Branch PTA (Parent Teacher Association) members. Until then, Daito Factory had held tours for teaching staff and students, but the PTA tour was the first time. On the day of the tour, explanations of the company's business were given with tours of welfare facilities and an observation of the our manufacturing processes. There was also an exchange of views with graduates now working at Daito Factory regarding the working environment. The company will pour its efforts into creating an organization and working environment which utilizes the abilities of persons with disabilities so it can truly be "A Corporation Needed by Society."



Receiving an overview of the factory

Developing the Next Generation of Human Resources

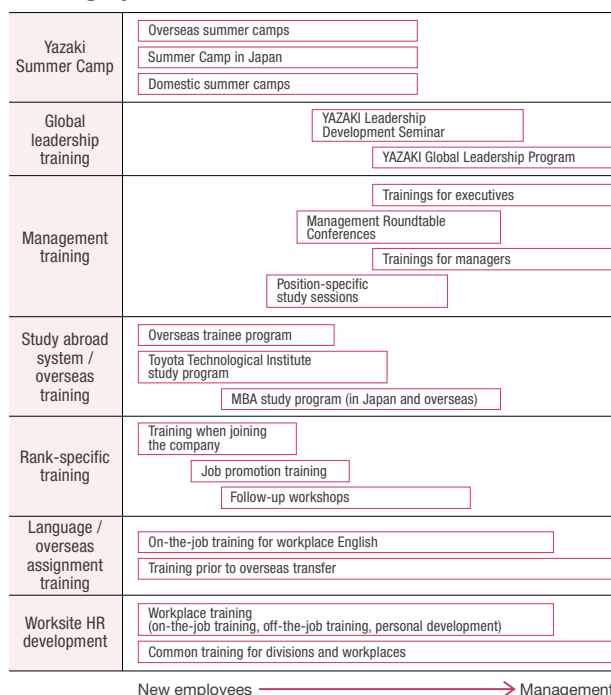
Basic Concept

As types of employment and employee work styles diversify with the incorporation of diversity and inclusion, we in the Yazaki Group believe that personnel development and organizational development are one and the same and are working toward a comfortable workplace for all employees. We are taking steps forward with our corporate management and personnel development making use of typical Yazaki management philosophies such as the Yazaki Group Corporate Policy to bring about a corporate culture bringing out individuality and the full potential of team-work.

Training System

Under the Yazaki Group training system, employees who choose to do so can participate in Yazaki Summer Camp as instructors or take job promotion training, language training, and more. One characteristic of the Yazaki Group's training system is that it provides environments suited to those wishing to grow in an effort to foster future management. In fiscal 2019, we launched and began activities with the Human Resource Development Divisions Meeting in the aim of bridging the human resource development between divisions.

Training System Overview



Fiscal 2019 HR development results (no. of persons)

Program	No. of persons completing
New employee training	166
Training for Rank 4 promotion	59
Training for Rank 6 promotion	139
Training for Rank 8 promotion	149
Seminar for New Assistant Managers	83
Seminar for New Managers	51
Training for New Associate Directors	4
Training for New Executive Officers	4
Training for New Directors	1
Seminar for New Division Managers / New Subsidiary Presidents	39
Seminar for Directors / Auditors of Subsidiaries in Japan and Overseas	17
Trainings for executives	36
On-the-job training for workplace English	212
Discussion about the Yazaki with Chairman	20
Follow-up Workshop	126
Core Personnel Rally	274
Management Roundtable Conferences	18
YAZAKI Leadership Development Seminar	20
YAZAKI Global Leadership Program	14
Overseas trainees	6
MBA study program (in America, China, and India)	2
Toyota Technological Institute study program	3

Yazaki Leadership Development Seminar

The Yazaki Leadership Development Seminar, which we have conducted since fiscal 2011, is for young managers and manager candidates who were recommended by their managers. The seminar aims to develop basic management knowledge and leadership as well as the business skills and mindset to play an active role globally under diverse environments.

In fiscal 2019, a total of 20 people from 13 countries participated in the seminar and engaged in project work based around the theme of the vision and core business for the Yazaki Group in 10 years' time. On the final day, we held a proposal presentation session, which included the division managers involved with the trainees from Japan and overseas. Obtaining advice from a managerial point of view enhanced the perspective of the trainees.

Yazaki-juku (Dialogue with Top Management)

We organized *Yazaki-juku* as a place for employees to exchange views directly with top management, deepen mutual understanding, and get a wider perspective. In the Follow-up Workshop, first held in 1983, employees who have been working for Yazaki for over five years discuss the principles and objectives of the Yazaki Group with the Chairman. In the Management Roundtable Conference, first held in 1999, department managers exchange views with the president on their visions of how to manage a workplace. In fiscal 2019, the Follow-up Workshop was held nine times with 126 participants, and the Management Roundtable Conference was held three times with 18 participants.



Follow-up workshop participants

Promotion of International Understanding Support Center Project

The Yazaki Group believes that it is important for employees to combine their skills of creativity, autonomy, language, and understanding of different cultures and to foster global personnel who challenge themselves and take on challenges. We would like to expand support activities as an international understanding support center in the future by aiding the development of global personnel in local educational institutions and companies.

The Adventure School, started in 1993, is a part of the internationalization project. So far, more than 1,300 people in 44 host countries have participated. In fiscal 2019, nine future full-time employees participated before starting work at the company and engaged in activities with people from all over the world for one year.



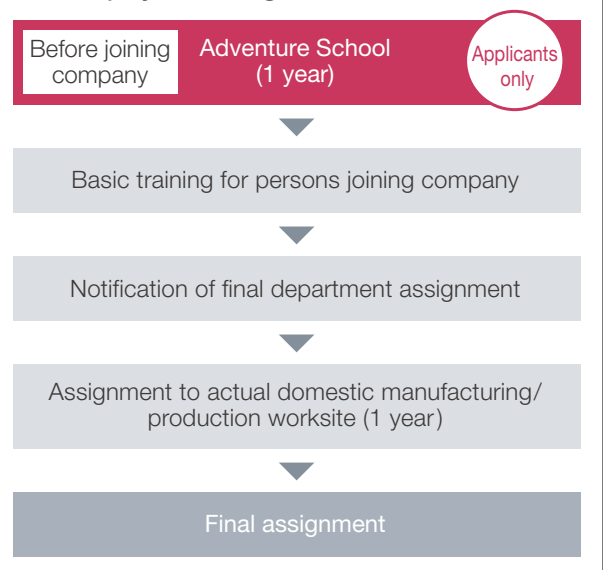
[More Information about Adventure School](https://www.yazaki-group.com/75th_en/episode/spirits/004/)

https://www.yazaki-group.com/75th_en/episode/spirits/004/



Adventure School participant in Ecuador

New Employee Training Flow



Promoting Health & Productivity Management

Basic Concept

The maintenance and promotion of good health for our employees is vital to the realization of the Yazaki Group Corporate Policy, and we believe it is just as important to enforce health measures allowing each and every employee to be individually and independently active in the improvement of their health.

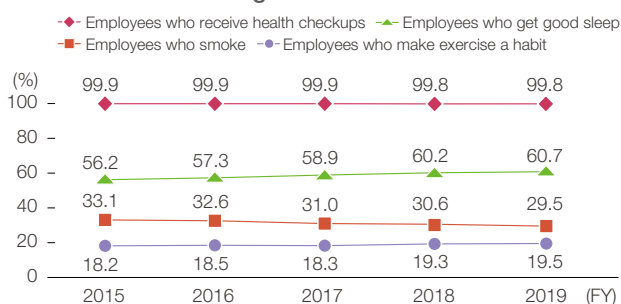
Improving Mental and Physical Health

The Yazaki Group puts effort into not only the management of physical health but mental health for early recovery from illness and prevention of exacerbation and we strive for a workplace in which its employees can work enthusiastically.

For physical health measures, we ensure that 100% of Yazaki Group employees get regular health checkups and go so far as to recommend a follow-up checkup to employees found to be at high risk. We also implement the Lifestyle Disease Improvement Program with some employees observed as being close to high risk before they enter that stage. We also actively take steps against smoking. That includes initiatives to prevent passive smoking by relocating smoking areas and other action, to lower the percentage of employees who smoke by educating them on quitting.

As for mental health measures, we conduct stress checks. We actively conduct interviews with and guidance from legally qualified doctors and health-related consultations with nursing staff for employees with a high degree of stress so they can feel comfortable voicing themselves. At a departmental level, everyone in each department finds issues in the workplace and talks about them while working to improve the working environment in an effort to prevent the occurrence of mental health disorders.

Status of Health Management



Major Initiatives on Health Measures

Action item	Contents
Lifestyle Disease Improvement Program	A voluntary program for employees with mild hypertension, it guides them with an exercise program and dietary advice to prevent hypertension from worsening. The program is being gradually expanded to more sites.
Lunch cost assistance	Employees are given assistance with lunch costs, regardless of whether there is a cafeteria, to encourage good physical health by getting proper meals.
Stress check workplace improvement	In fiscal 2019, we conducted Workplace Stress Check Evaluation Chart Seminars for management and used original workplace improvement plans with departments that have many issues to try to improve working environments. By observing over time, we also try to prevent mental illness by confirming whether the workplace improvements are effective.
Passive smoking prevention initiatives	We listen to opinions of both smokers and non-smokers as we work to prevent passive smoking. On World No Tobacco Day (May 31) in particular, we make an effort each year to prevent passive smoking throughout the Group.

Wellness Promotion Project

We launched the Wellness Promotion Project for the purpose of creating a corporate culture in which employees can develop and nurture healthy ways of living and working, and are currently operating a range of programs under it. This project takes action in its aim to get the people working at Yazaki Corporation and its organizations involved with one another and to realize a culture in which both can grow healthy.

Specifically, it appoints Wellness Promoters in each department, who conduct activities heightening wellness. At our Wellness Promoters Conference, held twice a year, we introduce project activities and practices from each workplace in addition to spreading the best practices. In fiscal 2019, we introduced the best practices from 11 workplaces, and awarded those Wellness Promoters.

Compared with when the project was launched, employee interest in it has gradually grown and voluntary initiatives within the different departments too have increased. The passion among Wellness Promoters too can be seen in comments stating that if we are not conscious of change, it cannot happen. We will continue to strive to shape the ideal corporate culture, and go on challenging ourselves.

Health Management for Those on Overseas Assignments

For employees working abroad, practicing the same health management as that in Japan has proved difficult, because these individuals must live long-term in places very different from Japan in terms of health care, sanitation, food, and the like. Therefore, the Yazaki Group is enforcing a special health management system for employees working abroad to shift their health management at least a bit closer to that of employees working in Japan.

Employees working abroad undergo both very thorough medical exams for physical health and mental health checks once a year in their health management system with all health data examined by occupational physicians overseas, leading to the early detection of any illness. We also have a 24-hour advice line just for these workers, who can access the service at any hour from any country.

Creating a Safe and Comfortable Workplace

Basic Concept

The Yazaki Group believes the ability of its employees to work safely and healthily is a major prerequisite to the management of our enterprise. We accordingly established the Yazaki Group Health and Safety Policy through mutual cooperation between the Yazaki Group and our employees to ensure health and safety at the workplace and strive to form a pleasant working environment while fluidly accomplishing our duties.

Fiscal 2019 Yazaki Group 79th Period Health and Safety Policy

- 1 Top management and all employees take unified action to conduct health and safety initiatives anchored based on compliance as we seek to firmly establish a safety culture.
- 2 Our sites and health and safety promotion department cooperate to maintain and strengthen health and safety systems as we seek to eliminate accidents.
- 3 We work to further enhance workplace communication and maintain and promote employees' physical and mental health with new measures.

Director and Executive Vice President,
Yazaki Corporation

Occupational Health and Safety System

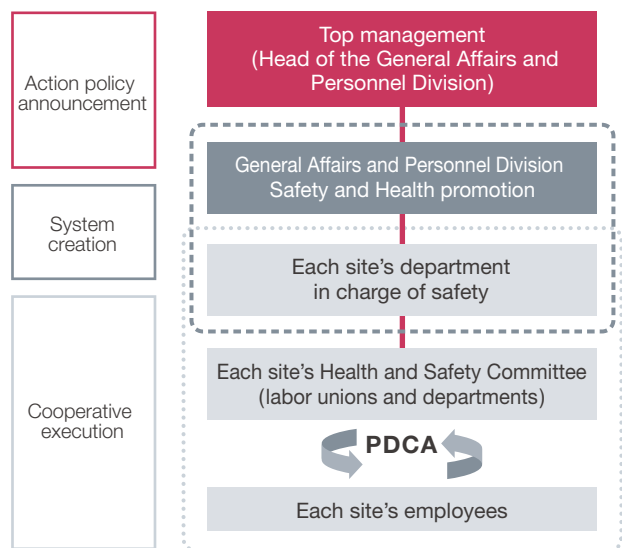
The Yazaki Group seeks to firmly establish a safety culture based on the Yazaki Group Health and Safety Policy, formulated in accordance with the Fundamental Management Policy, and promotes the establishment of a safe working environment.

Within our domestic production sites, we are making efforts to improve the working environment by prioritizing the safety of not only employees but also temporary staff and external contractors through such means as conducting

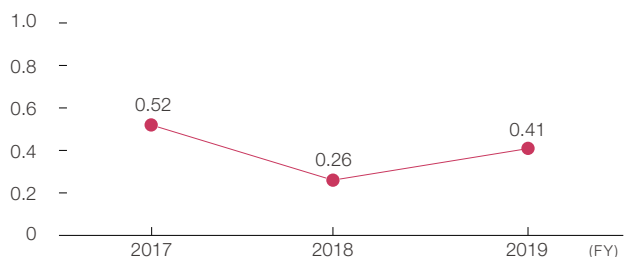
workplace diagnoses to evaluate the level of safety and health management. In the event of an industrial accident, we respond immediately and ensure that information, including countermeasures, is shared within the company in an effort to prevent the recurrence of similar accidents. We are also working to improve safety awareness by the verification, guidance, and follow-ups of the health and safety promotion department. Further, we also strive to prevent similar accidents globally by sharing information on industrial accidents based on our Global Health and Safety Policy.

In accordance with the Yazaki Group Health and Safety Policy, we were active in the goals we set for zero major accidents in fiscal 2019 in addition to reducing the number of occupational accidents by up to 50% compared with the previous period. We also set and were active in our goal of enforcing the following at a rate of 100%: verification of compliance with health- and safety-related laws and ordinances and improvement of such issues, development of employees taking over for those with statutory qualifications, improvement of issues found in site health and safety diagnoses, risk assessment based on accident trends and the employment of measures against those risks, health and safety training, and more.

Diagram of Occupational Health and Safety System



Frequency Rates of Occupational Accidents



The industrial accident frequency rate (lost work time) at the Yazaki Group in Japan was 0.41 in fiscal 2019. We aim to move forward in further reducing the number of industrial accidents by working Group-wide with trainings to prevent

the reoccurrence of minor industrial accidents. Further, in our global health and safety activities, we also strive to raise awareness of safety by bringing about thorough rules to be followed for the prevention of major accidents.

Occupational Health and Safety Training

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

In the domestic Yazaki Group, we are working to improve the safety awareness of our employees by conducting employment stage-specific health and safety training for everyone from new employees to management, practical

safety training to heighten employee risk sensitivity, risk prediction training, traffic safety education, and more. We systematically promote qualification acquisition to secure personnel able to take over positions requiring qualifications such as health officers and work supervisors.

Health and Safety Training System Diagram *Includes outside training

Aims / time Rank (grade)	Personal development			Workplace creation	System building
	Entry	Promotion	Specialized	Priority items	Company-wide advancement & follow-up initiatives
Officials & managers		Seminar for New Managers Seminar for New Assistant Managers	Foreman training* Practical safety training Practical safety training instructor development training General lifesaving workshop* General lifesaving instructor development training Training for earning various qualifications (health officer, etc.)* Traffic safety education Trainings unique to workplaces* Self-care training Line care training RTP training	SC circle activities Risk assessment initiatives Site health and safety diagnosis Health and safety legal compliance checks	Nurses' training Branch offices/management Health and safety liaison councils Factories Health and Safety Committees, meetings of persons in charge
General employees	Training for persons joining company in mid-period	Job promotion training	Training given when work changes		
New employees	Training for persons joining company				



New employee training



Conducting practical safety training



Contribute to development of local communities

Themes Addressed in Pursuit of Solving Social Issues

■ Contribute to development of local communities



Vision

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 its local communities.

Doing business globally, the Yazaki Group is thankful to people in many countries and regions that have supported us and enabled us to grow. Therefore, we strive to bring joy and happiness to our colleagues, friends, and families around the world by actively addressing problems faced by each country and region and taking initiatives to contribute to society and communities.

We also make every effort to support the nurturing of children, who will be the drivers of future development in each country and region.

Responsibilities to Local Communities

Basic Concept

At the Yazaki Group, we believe it is important not only to contribute to society through manufacturing but also to contribute to the development of local communities in partnership with people living in them. That is why we first listen to each community's challenges, expectations, and demands and then take ongoing initiatives for contributing to the community and region. Initiatives like the summer camp, moreover, help to nurture the next generation.

Nurturing the Next Generation

Yazaki Summer Camp

In order to provide children, who will lead the future, with the opportunity to have diverse experiences, we have held a summer camp for the children of our employees since 1977. This is an initiative that embodies the Yazaki Group Corporate Policy. The current chairman was deeply concerned when he was president with the decline in time busy employees could spend with their children at home. With the dream of showing his gratitude to employees who are parents and providing an experience which would serve as a wonderful experience for their children, he began the Yazaki Summer Camp. This camp has programs not only for children of employees in Japan, but also children of employees at overseas workplaces. Every year, children of many nationalities participate. The Overseas Summer Camps and Summer Camp in Japan especially broaden horizons at an international level through an understanding of differences between one's home country and foreign countries while providing opportunities to make new friends and have new experiences in addition to increasing their interest in protecting the global environment and deepening mutual understanding through international exchanges expanding their international perspective. The camp, through the advance trainings and the day of the event, also serves as a place to develop the leadership and communication skills of employees who participate in the camp as instructors.

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



Yazaki Summer Camp in Japan participants



Aboard at an Overseas Summer Camp exchange with local junior high students

Fiscal 2019 Yazaki Summer Camps

	Domestic	Overseas	In Japan
Target	Domestic employees' children (Elementary 5th and 6th grade)	Domestic employees' children (Junior high 2nd grade)	Overseas employees' children (14-year old children)
Location	Yusuhara Town, Kochi Prefecture (July 29 to Aug. 2) Eastern Shizuoka Prefecture (Aug. 5 to Aug. 8)	China (Aug. 4 to Aug. 9) Vietnam (Aug. 17 to Aug. 22)	Tokyo, Shizuoka, Yamanashi, Chiba (July 20 to July 26)
Number of participants	Children: 192, Instructors: 30	Children: 138, Instructors: 20	Children: 266, Instructors: 39
Cumulative total of children	42 camps / 7,790 persons	33 camps / 5,160 persons	30 camps / 4,729 persons

Initiatives in Fiscal 2019

Intercultural Exchange Project

The Yazaki Parts Co., Ltd. Monozukuri Center (Makinohara City, Shizuoka Prefecture) invited local high school students to the holding of its Cross-cultural Exchange Project in November 2019. This project explains the Yazaki Group's business to high school students, the future generation, and hopes to create an opportunity for them to come in contact with different cultures, value, ideas concerning of diversity, and more. On the day of the event, ten Yazaki Group employees of various nationalities, such as Thai, Samoan, Moroccan, and Chinese, participated with 20 high school students.

In the Cross-cultural Exchange Corner, the high school students and multinational employees held discussions in a "world cafe" format, leaving the participating high school students with an interest in countries they had not previously known and a desire to visit them for themselves as well as an understanding that what is commonplace in Japan isn't so in other countries.



At the cross cultural exchange corner

Words of Gratitude from a Local Elementary School

As part of its exchange with the local community, Miyazaki Parts Co., Ltd. (Higashi Usuki County, Miyazaki Prefecture) has been participating since 2014 in activities keeping a



During the thanks to our protectors get-together

protective eye on school children to keep them safe as they go to and from school and home. In February 2020, during the Thanks to Our Protectors Get-together event held at the local elementary school, Miyazaki Parts received the gift of songs filled with words of gratitude and performed with plenty of smiles as well as presents from all of the school children. The company will use the glove and mask presents received in future activities while continuing activities with the constant hope that they can keep the children safe.

Bring Your Child to Workplace

Tottori Parts Co., Ltd. (Tohaku County, Tottori Prefecture) held its Bring Your Child to Work Day for the first time in February 2020 to let fourth- to sixth-grade elementary school children see their parents while they work as a means to magnify their communication with each other.

On the day of the event, they saw where their moms and dads work with their own eyes in addition to hearing about the company, touring the factory, and experiencing taping. And for lunch, they had curry and rice using potatoes and green onions produced in the Tottori Parts agricultural business. The event served as a valuable opportunity for the children as they could see their parents in a way they don't normally.



Experiencing taping



Strengthen the global environmental management system

Themes Addressed in Pursuit of Solving Social Issues

- Strengthen the global environmental management system
- Prevent pollution
- Conserve biodiversity
- Closely manage harmful chemicals
- Mitigate and adapt to climate change
- Use resources effectively
- Respond to water problems



Vision

The Yazaki Group recognizes that the preservation of the global environment and its resources is a serious concern shared by all mankind. 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.

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

Environmental Management

Yazaki Global Environment Charter (Adopted in 1997; revised in 2002, 2006, and 2012)

Environmental Policy

The Yazaki Group recognizes that the preservation of the global environment and its resources is a serious concern shared by all mankind. 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 in the production process and by 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.

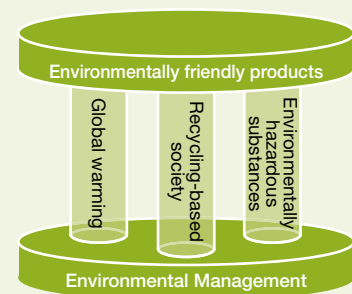
4 Manage and reduce environmentally hazardous substances

Improve the management of environmentally hazardous substances in 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



Basic Concept

The Yazaki Group formulated the Yazaki Global Environmental Charter based on the Fundamental Management Policy. It sets out our policies for environmental initiatives and guides our efforts throughout the world. We wrote up a Yazaki Environment 5-Year Plan based on the philosophy and policies of the Charter. We carry out this medium-term environmental conservation plan throughout the world. We build ISO 14001-based environmental management systems at sites in Japan and overseas as the foundation for our management system. We also establish Yazaki Green Purchasing Guidelines and work to reduce environmental impact throughout the supply chain.

 [YAZAKI Green Purchasing Guidelines](https://www.yazaki-group.com/global/pdf/csr_green_e.pdf)

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

global environmental management system to ensure that we meet the expectations and requests for environmental conservation from stakeholders worldwide.

We convene the Yazaki Environmental Committee, the decision-making body for environmental management, every year in April to discuss the direction of our environmental initiatives in Japan and overseas.

People who have responsibility 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 the priority themes that need to be addressed at a global level, such as alleviation of climate change and management of chemical substances in products, and discuss the responses to the issues in order to promote environmental conservation activities throughout the supply chain while encouraging interregional collaboration.

The Yazaki Group has even established local environmental management systems in each region. In Japan, in order 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.

In fiscal 2019, we launched the Site Environment Working Group, Chemicals in Products Working Group, and Environmental Audit Working Group with people in charge of practical operations in each region. These Working Groups operate periodically and, through collaboration extending over the regions, share a variety of initiatives relating to the environment while enhancing global internal control with the contemplation of concrete measures and their standardization.

Global Environmental Management

Organizational Structure for Environmental Management

At the Yazaki Group, we have established and operate a

Thorough Compliance with Environmental Laws and Regulations

The Yazaki Group has established a system to perform thorough environmental compliance. We strengthen that environmental compliance system by checking its structures and their operation status through periodic audits while improving the structures in accordance with the audit results, which ties into our compliance with environmental laws and regulations.

Specifically, we implement periodic environmental audits at factories, sales branches, and offices in Japan as well as overseas factories. We also conduct cross-audits as part of environmental audits at factories in Japan. During cross-audits, the people in charge of practical operations check each other's sites. The people in charge of practical operations



A cross-audit in China

find points in need of improvement and discuss how to make those improvements with each other, and it strengthens the check function and capacity for improvement. We also began cross-audits at some of our overseas factories in fiscal 2019.

Environmental Risk Management

Local Pollution Prevention

Air and water quality problems, noise, and vibration can be uncomfortable for local communities even if they comply with the regulations set by laws and local ordinances. That is why the Yazaki Group takes steps like controlling these nuisances at their origin and building soundproof walls as its own original initiatives. We additionally establish our own control levels, which are stricter than regulation levels, and together with periodic compliance checks with our control levels, we also hold periodic stakeholder meetings to listen to people from local communities and governments.

Environmental Education

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

Companywide training is geared to all new employees, persons being promoted to specific grades, and those being assigned to overseas sites. The training is conducted to deepen the employees' understanding of the significance of environmental conservation and the environmental conservation initiatives of the Yazaki Group.

We also conduct specialized environmental training geared towards employees who supervise and engage in environmental work with the aim of ensuring that they have the skills needed to carry out 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 initiatives to promote a firm understanding of the training content by its participants.

TOPICS

Recognized by Sichuan Province as a Notably Reliable Environmental Company for the Third Year in a Row

There is a system in China's Sichuan Province which evaluates the environmental conservation activities of companies and acknowledges them as environmentally savvy. TJY-CD (China) actively participates in this system and in fiscal 2019, submitted reports, such as environmental impact assessment approval forms and pollutant emission permits, on 48 issues. The company additionally improves upon processing capabilities by renewing its exhaust gas and wastewater treatment facilities and is evaluated as achieving exhaust gas and wastewater contaminant concentration well below the standards set by the country and local area. TJY-CD was recognized as a Notably Reliable Environmental Company for the third year in a row since 2017.



VOC (exhaust gas) processing facility



Specialized environmental training in session

Biodiversity Conservation

Basic Concept

The loss of biodiversity is an issue requiring attention at a global scale, and as the responsibility of an enterprise doing business around the world, the Yazaki Group works and cooperates with communities in taking action with biodiversity conservation and will continue helping to solve global problems.

Biodiversity Conservation Efforts in Collaboration with the Community

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

TOPICS

Participating in the Release of Red Spotted Masu Salmon into the Fukaragawa River

Y-CITY and Yazaki Parts Co., Ltd.'s Susono Factory (Susono City, Shizuoka Prefecture) have been participating since 2005 in the Kanogawa River System and Water Quality Conservation Council, established with the aim of conserving the water quality and other aspects of the Kanogawa River, a major river in eastern Shizuoka Prefecture. This Council is an organization which ensures a comfortable living environment by promoting water quality and environmental conservation in the Kisegawa River and Daibagawa River, tributaries to the Kanogawa River, as well as other rivers flowing into them, and is active in a variety of environment-related efforts. In October 2019, the Red Spotted Masu Salmon Release event was organized at the Fukaragawa River with employees from Y-CITY and Susono Factory attending. This effort was attended not only by people from local companies but numerous kindergarteners and plays a role in part of their environmental education. The day of the event served as an opportunity to get close to the Fukaragawa River and the precious creatures inhabiting it.

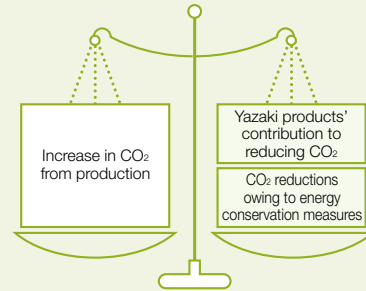


The Fukaragawa River

Responding to Climate Change

Basic Concept

The Yazaki Group is taking actions to help lower CO₂ at the global scale in response to the global warming issue that needs to be dealt with globally. For example, we are working to reduce CO₂ at our sites through energy saving measures and we are also promoting Yazaki Group products that help to lower CO₂.

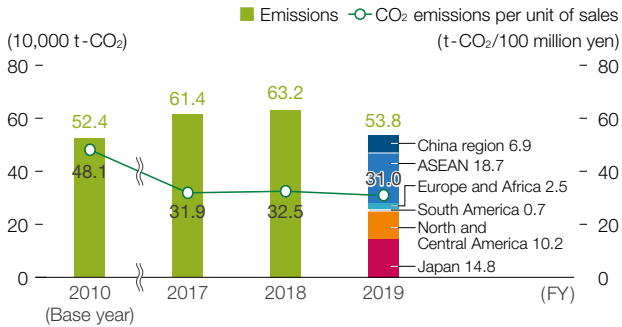


Energy Saving Activities at Factories and Offices

The Yazaki Group is working on energy saving activities with its target of reducing global CO₂ emissions per unit by 20% from FY 2010 by FY 2020 as a countermeasure to global warming. Specific initiatives include switching to LED lighting and updating air conditioning equipment and compressors to energy efficient varieties, which has had a profound effect. Meanwhile, we also continually implement our long-standing initiatives, such as optimizing operation time of facilities, ensuring that lighting is turned off during lunchtime and breaks, and using the eco mode for PCs. What's more, we are promoting renewable energy use by installing solar panels and introducing air-conditioning equipment utilizing biomass energy among other things.

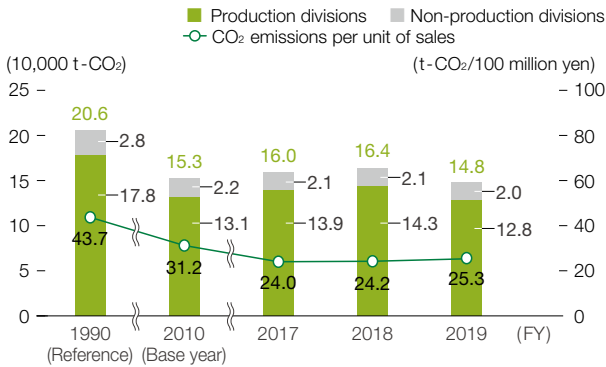
The Yazaki Group is moving forward with the creation of its global goals for fiscal 2021 and beyond as it considers the Paris Agreement, enacted in November 2016, and the related goals of other countries. As one countermeasure to global warming, attention is coming to a change from fossil fuel-derived energy to renewable energy as countries over the world intensify their efforts. In response to this, the Yazaki Group too is actively incorporating renewable energy.

Change in CO₂ Emissions (Globally)



* Estimations are included in some regional emission values.

Change in CO₂ Emissions (Japan)



Yazaki Products' Contribution to Reducing CO₂

Solar thermal equipment and air conditioning appliances using wood pellets are products that contribute to reducing CO₂ emissions. The *Bio-Aroace* wood pellet-fueled absorption chiller-heater is an air-conditioning appliance based on a carbon neutral* concept. Taking into consideration the volume of CO₂ absorption during the growth of the wood used as raw material for the wood pellets, there is an annual reduction of approximately 30 tons of CO₂ emissions per unit compared with using fossil fuels.

Equipping automobiles with in-vehicle safety & service instruments like a digital tachograph not only makes driving more efficient and safer but also contributes to reducing CO₂ emissions, leading to improvements in fuel economy.

The contribution to CO₂ emission reductions due to these products in fiscal 2019 was 71,000 tons, and the cumulative reduction in CO₂ emissions since fiscal 2011 is 662,000 tons. Moving forward, we will offer our support in the prevention of global warming through the development and sale of products contributing to CO₂ reductions.

* The condition in which the amount of CO₂ emitted by burning and decomposition is equal to the amount of CO₂ absorbed from the atmosphere by forests and plants in the natural world

Promoting Green Logistics

In accordance with the Law Concerning the Rational Use of Energy, the designated shippers of the Yazaki Group

in Japan, Yazaki Parts Co., Ltd. as well as Yazaki Energy System Corporation, and similarly Group companies which are not designated shippers are working to reduce energy consumption per unit of transportation with cooperative transportation, transportation route consolidation, and modal shifts with the goal of a 1% decrease from the previous fiscal year and that 1% decrease used as the annual average over the past five years to the present.

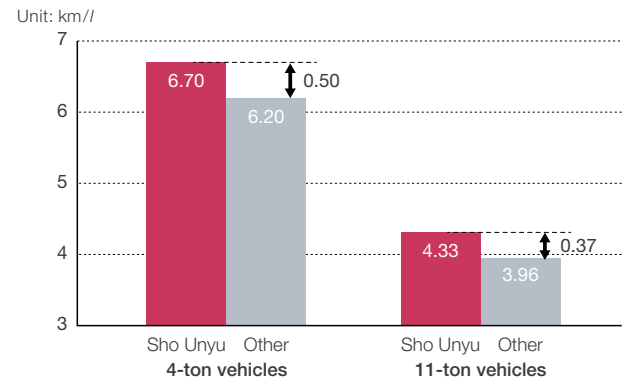
Sho Unyu, Inc., a Yazaki Group shipping company, is equipping all of its vehicles with Yazaki digital tachographs. Through this, we strive to create a noticeable change in sudden starts, acceleration, and stopping as well as with idling time and to also improve driver awareness and techniques in our effort toward environmental protection. The company is also aiming to improve understanding of eco-friendly driving with the creation and distribution of the Eco-friendly Driving Handbook and stickers promoting eco-friendly driving. The Eco-friendly Driving Handbook explains fuel-efficient truck driving tips like exactly how to step on the accelerator, apply the brakes, and increase speed. The truck drivers pay special attention to these aspects as they make an effort to drive more eco-friendly.

These efforts resulted in CO₂ emissions from domestic logistics in fiscal 2019 lowering to 18,000 tons, a 2% reduction compared with the previous fiscal year. CO₂ emissions per transportation amount (ton-kilometer) were 116 g-CO₂/ton-kilometer, a reduction of 2% from the previous fiscal year. We will continue working to reduce CO₂ emissions in fiscal 2020.



Eco-friendly Driving Handbooks

Eco-friendly Driving Results from Sho Unyu, Inc. Logistics Subsidiary



TOPICS Installation of Solar Panels

At FSY (China), gas water heaters had been used in the company dormitory until a change was made to electric water heaters in October 2019 as a means to reduce CO₂ emissions and for employee safety.

In addition, FSY installed 1,200 solar panels on the roof. Residents can boil water using solar energy and they have reduced water heater energy use.

Through these efforts, CO₂ emissions were reduced by 48%.



Solar panels installed on the company dormitory

TOPICS Energy Conservation Initiatives In Electric Wire Manufacturing Processes

Yazaki Energy System Corporation's Fuji Factory (Gotemba City, Shizuoka Prefecture) melts down copper ingots for the manufacture of electric wires. The electric wires from the melting furnace are stretched out to what are known as "wire rods" with an inner diameter of 8 or 10 mm as a coating agent which prevents discoloration, oxidization, the entanglement of the electric wires, and other such problems is applied. A constant temperature must be maintained when using the coating agent, and so heaters had been employed to raise and maintain the temperature for about an entire day.

In order to improve the efficiency of this process, insulation material is wrapped around the coating agent tank and piping, maintaining thermal insulation. After pursuing conditions to effectively raise temperatures and reconsidering optimal retention time, the factory was able to shorten the original time from raising the temperature to heat retention by half. As a result, the annual amount of electricity used with heaters was reduced by 53%.



Members active in the improvements

Recycling of Resources

Basic Concept

As the global population grows and economies develop, environmental risks like that of resource depletion increase. Environmental pollution caused by marine plastics is also raised as a worldwide problem. The Yazaki Group is working to build a resource recycling society by reducing loss in manufacturing processes, promoting recycling, and other measures to reduce the total amount of waste based on the 5R* concept.

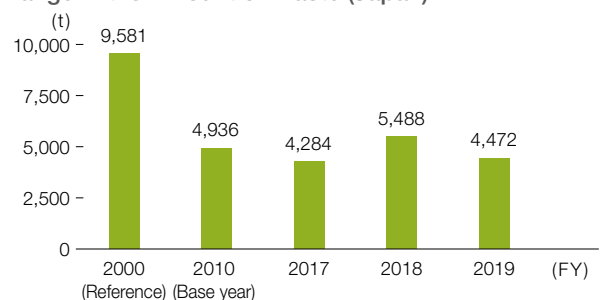
* Reduce/Reuse/Recycle/Refuse/Repair

Activities to Reduce the Total Amount of Waste

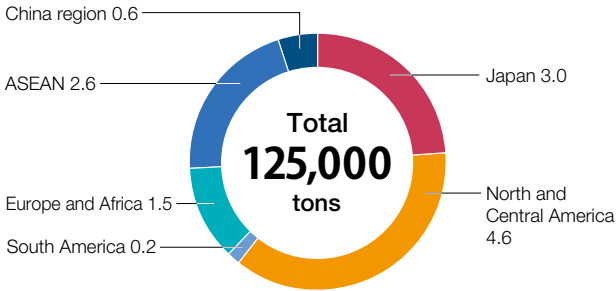
The Yazaki Group works on measures to reduce the total amount of waste through activities including reducing loss in manufacturing processes, promoting recycling, and further subdividing waste separation based on the 5R concept. We established goals to improve our recycling rate and to reduce the amount of waste in line with the conditions of each country and region, and are moving forward with these efforts. The Yazaki Group in Japan is aiming to reduce the amount of waste at all sites in Japan by 10% compared with fiscal 2010 by fiscal 2020. In fiscal 2019, the total amount of waste was 125,000 tons globally. In addition, the amount of waste at Yazaki Group companies in Japan in fiscal 2019 was 4,472 tons, a reduction of 9% compared with fiscal 2010.

Moreover, we were able to grasp the amount of single-use (disposable) plastics we use globally, which is helpful in our response to the worldwide problem of plastic waste.

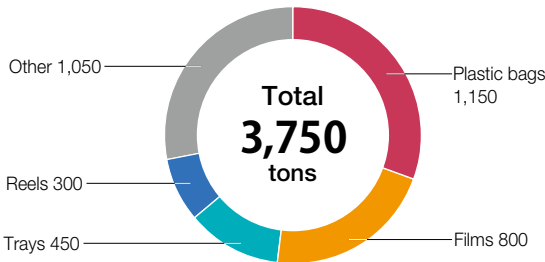
Change in the Amount of Waste (Japan)



The Total Amount of Waste by Region (10,000 tons)



Amount of Single-Use Plastic (t)



Reusing Products and Using Recycled Material

Marine pollution from plastic waste is becoming a serious global environmental problem, and a wide range of regulations and initiatives in each country and region are moving forward. Corporations too are being asked to reduce their use of plastics and to push recycling.

The Yazaki Group uses plastic *Polytainer* containers and pallets in the transport of its components and products, but only disposes of those which break after the longest possible repeated use.

Sho Unyu, Inc., a Yazaki Group shipping company, collects plastic *Polytainer* containers and pallets that are broken or unneeded for other reasons. These are then crushed and used as material for recycled plastic pallets. This allows plastic to be recirculated and accounted for a reduction of approximately 200 tons of waste in fiscal 2019.

We are also considering reduction measures mainly at our sites using large amounts of packing and other materials with products to even further reduce our waste.

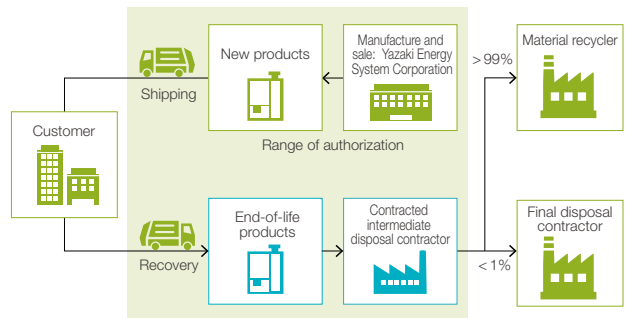
Reduce Environmental Impact of End-of-Life Products

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

Under the wide-area certification system*, the Hamamatsu Factory recovers *Aroace* absorption chiller-heaters when they are used up and reuses and recycles their components. By separating and reusing the steel plates that make up the product proper, the copper tubes that make up the heat exchangers, and absorption solution, we were able in fiscal 2019 to recycle 99.6% of these products by weight.

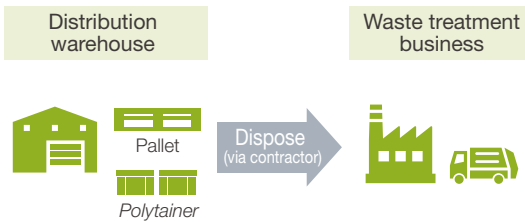
* A system designed to enable manufacturers authorized by the Minister of the Environment to collect their own products that have been discarded over a wide area so they can be appropriately processed and recycled

Recovery of Air-Conditioning Equipment under the Wide-Area Certification System

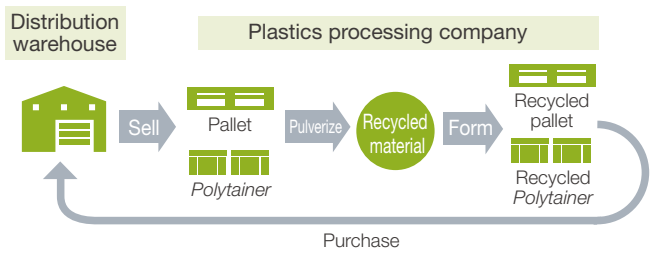


Plastic *Polytainer* Containers and Pallet Recycling System

Before improvement Logistics materials no longer needed were stored in distribution warehouses and processed as industrial waste



After improvement Improvements have been made to recycle logistics materials which are no longer needed



Result **Waste Reduction of *Polytainer* Containers and Pallets**
 205 t/year (193 t/year *Polytainers* + 12 t/year pallets) ⇒ The reduced amount is recycled

Protecting Water Resources

Basic Concept

It is said that in 2050, approximately half of the world's population will experience the effects of water stress* due to the impact of issues like population growth and climate change. Water risk initiatives, such as intensified regulations brought on by water quality degradation in rivers and other water sources around the planet, are becoming a globally important issue.

In the Yazaki Group, we are dealing with water risks. We endeavor to minimize water use by recycling and conserving water. Additionally, we are protecting water resources by practicing stronger management to ensure that factory water discharges do not impact the surrounding environment.

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

Initiatives with Water Risks

The Yazaki Group acknowledges risks specific to different regions and is tackling them from the two perspectives of water amount and quality.

We have used AQUEDUCT* to evaluate water risks at our sites. The results showed that none of our major sites faced a high risk. However, we recognize water risks to be a worldwide issue which we need to work on as an enterprise, so we have set voluntary targets that we are working toward.

At our overseas sites, we are reducing water consumption by using rainwater, reusing discharged water, and making



During leakage prevention training

efforts to conserve water as we suitably engage the water risks (water amounts and quality) of each country and region. We are also continuing efforts to reduce water consumption at our Japanese sites while we implement efforts which enhance our management systems preventing water pollution due to discharged water. In fiscal 2019, we invited an outside instructor for training on preventing the leakage of substances like oil and chemicals from our sites.

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

Initiatives to Conserve Water Resources

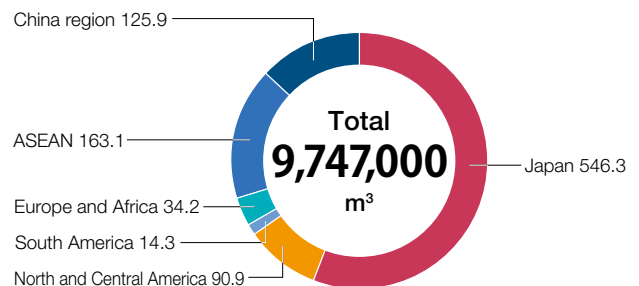
The manufacturing of electric wires, one of the Yazaki Group's representative products, and the manufacturing of resin components that make up our wire harnesses use a lot of water in cooling and other processes. Therefore, at the Yazaki Group, we are making efforts to reduce water consumption by globally identifying water consumption in our manufacturing processes and reusing discharged water as much as we can.

In fiscal 2019, water consumption was 9.75 million m³ globally, a decrease of 7.1% from the previous fiscal year. We engage in water conservation efforts, such as reusing cooling water in equipment, preventing water leakages through regular maintenance of equipment, and using rainwater and purified discharged water from canteens for watering plants. We also engage in educational activities, including educating our employees about water conservation.



A rainwater tank installed at YBL (Brazil)

Water Consumption by Region (10,000 m³)



* Estimations are included in some overseas site water consumption values.

Management of Chemicals

Basic Concept

At the World Summit on Sustainable Development*¹ in 2002, the 2020 Goals*² on chemical management were proposed and management worldwide has grown stronger since then.

The Yazaki Group has established and operates systems worldwide to ensure compliance with the laws and regulations related to chemical substances in each country and to meet customer requests for the management of chemicals.

We demand that our suppliers ensure that chemicals prohibited from being in products do not end up in ours. We also practice thorough management internally of the chemicals used in our products. As for chemicals handled during manufacturing processes, we manage their emissions, set voluntary standards, and work to reduce them.

*¹ The WSSD, commonly known as the Johannesburg Summit.

*² Targets that aim to minimize significant adverse impacts that the manufacture and use of chemicals have on human health and the environment by 2020

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 2019, we formulated a midterm reduction activity plan and also surveyed and evaluated alternative technology in relation to the chemicals up for regulation by the EU REACH Regulation*¹ and the POPs Convention*².

*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

Reducing and Managing Chemical Emissions

The Yazaki Group in Japan is making 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 solution for jigs and equipment and minimizing coated areas, as well as reusing previously used solvent. At our five domestic sites, we set a goal to reduce VOC emissions by 30% compared with fiscal 2000 by fiscal 2020, and our VOC emissions for fiscal 2019 came to 145 tons, a decrease of 59% compared with fiscal 2000.

Additionally, we are identifying emissions of designated chemical substances and their transfer amount, caused for example by substances adhering to products, from sites required to submit a report*³ in Japan and subject to PRTR Law*⁴ regulations.

The emissions of designated chemical substances from these sites for fiscal 2019 amounted to 10.1 tons and the transfer amount, due to reasons such as substances adhering to products, was 5.0 tons.

*¹ Of the particulate matter suspended in the atmosphere, those with a particle diameter of 10 μm or smaller which are found in carriers like the exhaust from diesel vehicles and 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, Numazu Factory, Fuji Factory, Tenryu Factory, and Kan Kogyo

*⁴ A law related to identifying the emissions of specific chemical substances released into the environment and to promote improvements in the management of the substances

Appropriate Disposal of PCB Waste

The Yazaki Group in Japan takes steps forward in the early disposal of PCB (polychlorinated biphenyl)* waste from use within the domestic Yazaki Group and stored at its 17 sites, forming plans to dispose of it completely before the legal deadline set forth in the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes or earlier. Also, at sites storing PCB waste, we appoint responsible persons and make efforts to prevent loss, damage, or leakage by locking the storage site, conducting regular inspections, and taking earthquake countermeasures.

In fiscal 2019, we concluded the disposal of PCB waste at two sites. There were zero instances of PCB leakage.

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

Environmentally Friendly Design

Basic Concept

The Yazaki Group has established its 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 our 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

Case Studies of Environmentally Friendly Products

Development of a Residential Fire (Thermal), Gas, and CO Alarm

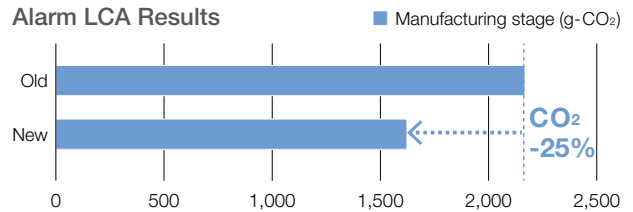
Our battery-powered gas and CO alarm released in 2015 was small, lightweight, and offered wonderful workability, which garnered it favorable reviews from customers, but it was effective for only three years. We began developing an improved version meeting such demands from our customers as the addition of the five-year duration of use offered by our conventional fire, gas, and CO alarms using a 100 v power source as well as a fire alarm function to the advantages of a battery-operated alarm.

In its development, we verified the gas sensors' durability and battery life to lengthen the duration of use and repeatedly examined its construction to see how we could realize the added fire detection ability in a small, battery-powered product. In addition, we discussed improving the visibility of our special liquid crystal battery life display function, elevating it to a level required as a Japan Gas Appliances Inspection Association (JIA) power indicator.



Conventional product (left) and newly developed product (right)

While improving functionality, we worked to create a resource-saving compact design and energy-conserving design and realized a 47.2% decrease in weight and an 80% decrease in power consumption when sounding the alarm compared with conventional products.



Development of a Battery Fuse Unit for Power Distribution

The revolution taking place in the automobile industry is ushering in a growing need for response to CASE* and other such concepts. Thus, the power systems of automobiles are diversifying, and there is a demand for optimal distribution and enhanced safety related to vehicle fires. To enhance safety, it has become necessary to develop products effectively unitizing power distribution and electric wire protection functions for installation in vehicle spaces with many constraints.

The Yazaki Group has responded by developing fuse units which take the place of fuse boxes incorporating conventional cartridge fuses. By achieving small size, light weight, and cost reduction, we have contributed to the optimization and standardization of power distribution which can be directly applied to batteries and other power sources.

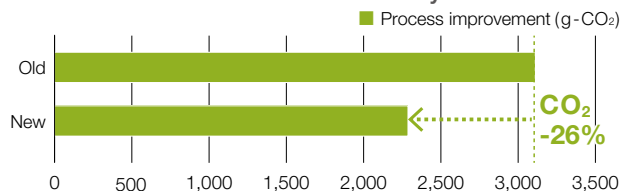
We have also changed the installation method of the tin wire used in the fuse unit's fuse element area from conventional crimping to driving-in, leading to downsizing the fuse element, reducing the amount of tin, and simplifying manufacturing processes and equipment used. By employing this tin welding method, we have achieved 26% improvement in energy conservation.

* An acronym made from the words "Connected," "Autonomous/Automated," "Shared," and "Electric"

Battery fuse unit



Amount of CO₂ Reduction from Battery Fuses



* A comparison of CO₂ emissions from tin welding, and not an LCA

Environmental Activities

An Ecological Christmas

At sites in four South American countries* of the Mercosur bloc, we plan and hold events at each site with environmental themes changing by the month in the aim of raising employee awareness with environmental conservation. YBL (Brazil) gave December the name of “Ecological Christmas” and employees created Christmas trees and wreaths using waste materials emitted from manufacturing and other processes. The items created were decorated around such locations as the canteen, and a contest was held where they were commended as excellent works of art. Moving forward, the sites plan to raise employee awareness with these sorts of activities.

* Brazil, Argentina, Uruguay, and Paraguay



Christmas wreath made from waste materials

Participation in a Unified Cleanup Activity at Mt. Fuji

Every August, Yazaki Energy System Corporation’s Fuji Factory (Gotemba City, Shizuoka Prefecture) participates in a unified activity cleaning up Mt. Fuji, organized by the Forever Beautiful Mt. Fuji Association. During the 40th time in 2019, 18 employees picked up trash in the cleanup area around the fifth station on Mt. Fuji.

Upon finishing the cleanup, the participants explained that they felt a true sense that trash is greatly decreasing compared with before and that Mt. Fuji becomes more beautiful each year, and also that they were glad they could



Out cleaning

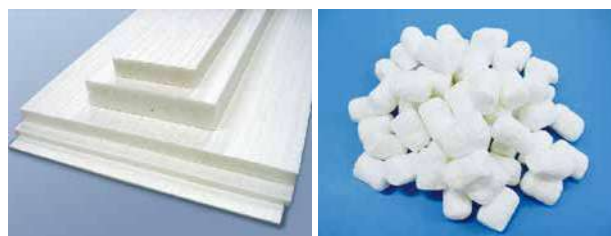
contribute to an effort beautifying their constant neighbor, Mt. Fuji.

Initiatives to Reduce Marine Plastics

As the issue of marine plastics gains more international attention, the Yazaki Group offers its support in the Ministry of the Environment’s Plastics Smart Campaign. We are contributing to the creation of an advanced recycling-based society by promoting cleaning and beautification activities at our sites in Japan, stamping out littering in pursuit of reducing marine plastic waste, and through the development and use of our eco-friendly cushioning material, *Aro-eco*, made using postcard cutting waste.



Yazaki Parts Co., Ltd.’s Ohama Factory (Kakegawa City, Shizuoka Prefecture) cleaning and beautification activity



Aro-eco



Enhance global governance and internal control

Themes Addressed in Pursuit of Solving Social Issues

- Ensure management soundness, efficiency, and transparency
- Strengthen risk management and BCM
- Practice thorough compliance
- Prevent all forms of corruption
- Foster the corporate culture



Vision

A business must establish a sound management foundation to grow sustainably.

The Yazaki Group Corporate Policy calls on us to be “A Corporation in Step with the World” and “A Corporation Needed by Society.” To that end, we seek to increase our corporate value by endeavoring continually to build a sound, efficient, and transparent global governance system, strengthening internal control, and building good stakeholder relationships that emphasize dialogue.

Corporate Governance

Basic Concept

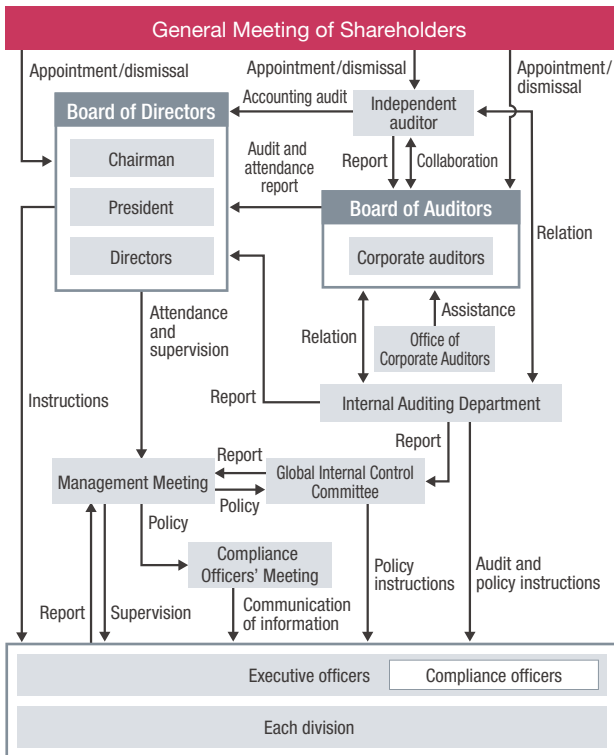
As the Yazaki Group continues its quest to be “A Corporation in Step with the World” and “A Corporation Needed by Society” as called for in the Yazaki Group Corporate Policy, we will build sound relationships with stakeholders, fulfill our social responsibility as an enterprise, aim for sustained growth and higher corporate value, and work to strengthen corporate governance.

the performance of directors’ duties. To ensure prompt decision-making and execution of duties, matters to be discussed by the Board of Directors are specifically laid out in the Board of Directors policy and resolution items. Matters deliberated and decided at Board of Directors meetings include, for example, mid- to long-term business plans, annual budgets, and any asset or funds-related matter that concerns more than a certain value.

To ensure directors can properly fulfill the roles and responsibilities expected of them, they receive training to ensure their understanding of those roles and responsibilities and acquire the necessary knowledge. The training is also received by directors of Yazaki Group subsidiaries in Japan and overseas.

In fiscal 2019, we took an all new look at and improved our internal authorization rules (authoritative regulations), which occupy a crucial role in the Yazaki Group’s governance. Through this, we delegated the proper authority to our domestic and overseas subsidiaries and were able to further strengthen our management of important matters with possible impact on the entire Group in addition to rebuilding structures to conduct faster, more appropriate business decisions and risk management. We are also stepping forward with the introduction of an IT system to optimize our authorization processes for these matters and strengthen our management of documents.

Diagram of Corporate Governance System



A Management Meeting at YBL (Brazil)

Corporate Governance System

We are a company with corporate auditors, and have established a Board of Directors, a Board of Auditors, and Management Meetings. The Board of Directors meeting is held every month in principle (if necessary, an additional extraordinary meeting is held), and the Board decides on matters stipulated by law and regulation in addition to other important matters regarding management. It also supervises

Strengthening Internal Control

Basic Concept

Based on the Internal Control Policy specified by the Board of Directors, we strive to create and strengthen the internal control system in line with our corporate governance system to secure the execution of duties of the corporate group in accordance with the Companies Act of Japan.

Reducing and responding to risks which cause serious impact on management, including breach of compliance, are a key part of strengthening our internal control. These risks change day by day, and enterprises are required to respond flexibly and swiftly. The Yazaki Group responds appropriately to the various risks facing Yazaki Corporation and its Group companies, based on the nature and severity of each risk. We promote risk management PDCA (appropriately identifying the risk, controlling it, monitoring it, and making corrections) Groupwide, thereby lowering risk levels.

We stay active, especially in the ever important matter of compliance, based on our four pillars: 1) clarification of laws and regulations that we must comply with; 2) compliance training; 3) establishment of a whistle blowing system; and 4) monitoring to achieve the principle in our Fundamental Management Policy to “Uphold the law, respect regional cultures, and contribute to economic and social development.”

Organizational Structure to Ensure Compliance

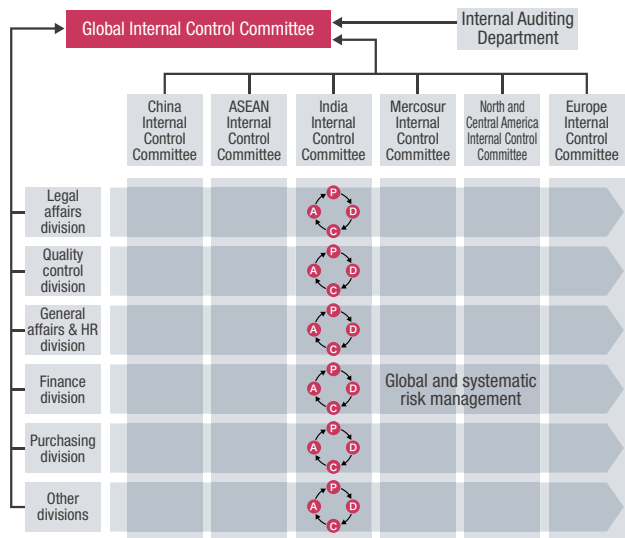
The Global Internal Control Committee, chaired by the President, monitor and evaluates the efficiency of its internal control, including the risk management regarding compliance, BCP, information security, and other topics in the Yazaki Group. In addition, Internal Control Committees have been established in each region overseas, which promote the strengthening of internal control mainly by regional headquarters in addition to Group-wide initiatives.

Management divisions and Internal Control Committees in each region report important internal control items to the Global Internal Control Committee every half period. The Committee discusses important management risks and specific measures against them. Due to the impact of COVID-19, the Committee

was held only in the first half of fiscal 2019.

Also, the divisions in charge of Yazaki Corporation’s corporate governance and internal control as well as those in charge of legal affairs and compliance were unified in fiscal 2019 as organizations to more powerfully promote these initiatives throughout the company. Based on these new organizations, we have held a global meeting, the Global Corporate Governance Legal Meeting, four times, which comprises officers in charge of both governance and the legal domain in Japan and other regions. There, we have swiftly moved forward to deliberate on and take action in strengthening our internal control, including compliance.

Organizational Structure to Ensure Internal Control



Compliance

Organizational Structure to Ensure Compliance

One of our initiatives to globally promote compliance is to select global coordinators assisting with and pushing the compliance activities of each region and to discuss how to handle globally common issues.

To ensure autonomous compliance activities in each division within Japan, from 2015, we appointed the manager of each division as a compliance officer of that division and hold the Compliance Officers Meeting four times a year so they can report the status of those activities and other issues.

We also hold the Yazaki Legal Conference, attended by the presidents of all our domestic subsidiaries, once a year as an opportunity for Yazaki Corporation to report the status of its activities and share information with subsidiaries.

The Compliance Officers Meeting in fiscal 2019 featured reports on the status of legal compliance within companies, introductions to related internal case studies, and the sharing of action policies with newly amended laws and regulations among other information. In addition to the Compliance Officers Meeting’s agenda, the Yazaki Legal Conference

provided each company a chance to present good practice studies of their compliance activities, letting them willingly reinforce those efforts.

Clarifying Laws and Regulations We Must Comply With

As a global initiative, we are moving forward with efforts to establish rules defining common factors to be the basis for the compliance regulations created in each region. In fiscal 2019, we enacted and revised regulations related to our compliance system, bribery, competition laws, and whistle-blowing.

In Japan, we make use of the Yazaki-wide Legal Compliance Control Item Table, which lists the laws and regulations commonly related to the Yazaki Group's businesses and the relevant matters with which we must comply. We reconsidered its contents in fiscal 2019, based on legal reforms and past internal case studies and then spread it through all of the divisions in Japan.

Compliance Training

As of February 2020, ten years have passed since we underwent an on-site investigation pertaining to our violation of antitrust laws concerning automobile components from Yazaki Corporation and its overseas sites. In retrospect of the past violation, the president issued a message to employees in Japan and abroad to inculcate a mindset which would prevent reoccurrence of the incident. In the future, the Yazaki Group will offer training to prevent the weathering of this mindset.

In Japan, we provide training for specific job levels and grades, including training on various laws, and compliance seminars for directors, which are aimed at top management. Training seeks to further understanding of the relevant laws and regulations and raise compliance awareness by incorporating seminars on harassment and corporate misconduct.

At fiscal 2019's Yazaki Legal Conference for the presidents of domestic subsidiaries, we brought in an outside lawyer to give a talk on Handling Labor Management and Work Style Reform, whose laws have experienced frequent amendments in recent years.

We also hold a Compliance Week each year in each division and worksite for the purpose of raising employees' compliance awareness.

Establishment of Whistle-blowing System

The Yazaki Group has created whistle-blowing reception hotlines in each region for the early detection and prevention of legal violations and other problems.

In Japan, we make *YAZAKI ai*, an internal whistle-blower protection system, known to employees in compliance seminars and other events in addition to putting up posters. Under this system, in addition to internal hotlines, there is also an external hotline at an outside law office whose independence is guaranteed. Because of this, there is a

promise of anonymity and protection for whistle-blowers so there are no unfavorable acts such as retaliation due to raising a concern. Of course, we always handle the concerns received in the appropriate manner.

Monitoring

To ensure the effectiveness of our compliance activities, the Yazaki Group in Japan conducts regular self-checking using a Compliance Check Sheet. We also make efforts to ensure the achievement of legal compliance through the implementation of site checks by divisions in charge of laws and regulations, such as personnel, financial, and legal divisions, and a regular audit conducted by the Internal Audit Department.

BCP (Disaster Mitigation)

Disaster Mitigation Measures

During dangerous occurrences such as natural disasters, we strive to maintain and ensure our corporate credibility by continuing business practices placing the utmost importance on human life.

We promote measures like the preparation of manuals to prevent impact from natural disasters on communities and our customers by minimizing the damage while also protecting employees and facilities. 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 additionally established a disaster management system and give training based on these manuals as we promote understanding of disaster management and readiness to respond appropriately to emergencies.

Fire Prevention Measures

We promote fire prevention measures to prevent impact from fire on communities and our customers while also protecting lives and our corporate assets.

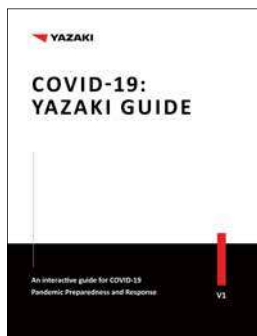
We also enforce training to raise each and every employee's awareness in regard to fire prevention. What's more, we have enhanced the fire control regulations preventing fires caused by electrical equipment and chemicals in addition to establishing a fire management system for all domestic sites, and we perform checks to make sure fire control is being practiced appropriately.

We hold regular study sessions on laws and regulations as well as fire control training for all fire prevention manager at domestic sites, and are working to promote raised awareness and understanding of fire service laws and regulations and fire prevention.

Risk Management with COVID-19

The Yazaki Group has established the COVID-19 Crisis

Management Team to prevent the spread of COVID-19 infections and it provides countermeasures focused on the safety and security of our stakeholders, such as our employees, customers, and suppliers. Take as one example the Guide for COVID-19 pandemic that was created. We have implemented training which identifies confirmed cases of infection on-site to instill these guidelines among our employees. We have also used the strengths of the Yazaki Group, working in business activities in 45 countries and regions across the world, to provide flexible production support in the event a factory must close operations as instructed by that national government or other agency. We will share the know-how and experience gained in our steps against the global spread of COVID-19 with our sites in each country as we push forward with our response so we may continue to offer our stakeholders security.



Guidebook created by European and American regional headquarters

Information Security

Organizational Structure to Ensure Security

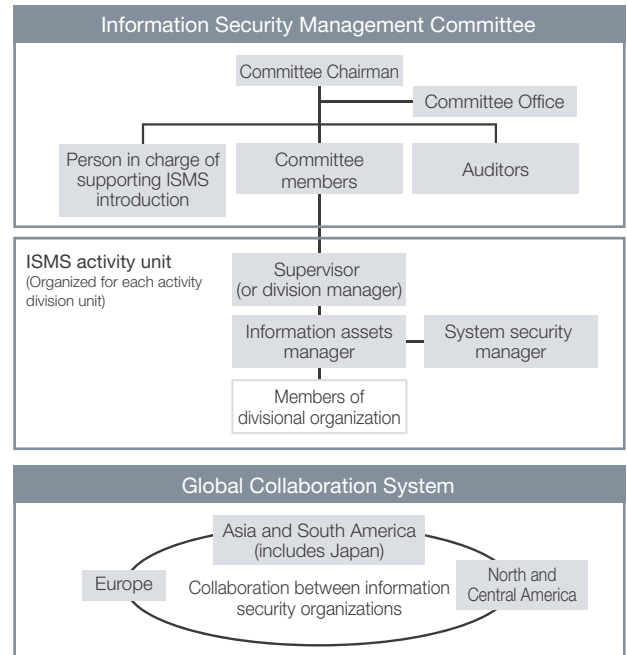
In recent years, cyberattacks are growing more sophisticated and craftier as the targets of attacks too become more diverse. Leakage of information due to a cyberattack damage the trust of customers and other stakeholders in the company, and lead to losses profits.

The Yazaki Group protects a broad range of confidential information, including the personal information of customers obtained in the course of business. We have also established a variety of rules, including our privacy policy, and we have focused our efforts on information security in order to manage the necessary information on our products appropriately.

We have established the Information Security Management Committee, whose members are posted in each division, to maintain a high level of information security. At Committee meetings held every second month, the 27 committee members check the status of information security activities in each division and consider standardization, common measures, and training. In fiscal 2019, we worked hard in efforts which would meet the information security expectations of our customers and examined the handling of our countermeasure implementation.

We also have an organizational structure in place in each region around the globe (Europe, Asia and South America, and North and Central America) to respond to Europe's

Organizational Structure to Ensure Information Security



GDPR* and each nation's personal information protection laws and security requirements.

We will keep working to gain the trust of customers and other stakeholders through the promotion of information security activities in the future.

* General Data Protection Regulation

Information Security Initiatives

In the realm of information security, there is a demand for the protection of information assets requiring defense against multiple threats to confidentiality, integrity, and availability. To that end, different steps must be taken from a personal, physical, technical, and organizational standpoint, and so we have created a management system to effectively manage resources and other assets. At the Yazaki Group, we work to maintain and strengthen security by continually implementing a PDCA cycle through the information security management system (ISMS).

We have obtained certification of the ISO/IEC 27001 international standard to assess whether the management system continuously meets standard requirements and maintains the ability to satisfy the appropriate legal requirements, and whether it maintains its effectiveness in completing its goals in our sales, development, and ICT divisions (16 divisions in Japan and 3 companies abroad).

We report any security accidents immediately to the Information Security Management Committee to expedite the initial response and to ensure the prevention of reoccurrence. We are also stepping up measures as a safeguard against cyberattacks, for example giving training on phishing emails, monitoring logs and networks, and evaluating vulnerabilities.

There were zero instances both in Japan and abroad of substantial appeals in relation to customer privacy infringement or data loss in fiscal 2019.



Third-Party Opinion

Junko Edahiro; Professor; The Graduate School of Leadership and Innovation Shizenkan University, President; Institute for Studies in Happiness, Economy and Society (ISHES) and Environmental Journalist

Junko Edahiro completed a master's degree in educational psychology at the University of Tokyo Graduate School. She strives to help create a flexible yet robust, happy future through such activities as book translation like with Al Gore's *An Inconvenient Truth*, giving lectures, writing, working as a corporate CSR consultant, and holding cross-industry study sessions regarding the environment, sustainability, and regional economic circulation. She is a member of the Tokyo Organising Committee of the Olympic and Paralympic Games, 2018 Paris Agreement Long-term Growth Strategic Council, and Plastic Resource Recycling Strategic Subcommittee.

I strongly felt that your company really cares people. It's easy to simply say that "being a company cares people". I am truly amazed that you are just having the slogan, but also taking action by having various initiatives and providing hospitable system, for people including your employee, their families, local communities and suppliers.

Looking at the Special Feature pages, it was easy to see your contribution to the development of Argentina, Brazil, Uruguay and Paraguay at a regional and national level while driving your business activities. By reading many comments included from the local people, I could get a true sense of your role and contribution in the region. Typically, there aren't many opportunities like this to know how an enterprise is active and contributes behind the sense on the other side of world, so that this report would be educational even for readers.

I could learn that there are various initiatives especially for employees such as creating comfortable, satisfying workplace where employees can grow also were apparent. It is incredible that there are considerate systems and initiatives for employees, such as providing a 24-hour advice line for the health management of those working abroad, regardless of time difference.

Also, the International Understanding Support Center's Adventure School and Yazaki Summer Camp, programs nurturing the next generation, are fundamentally important initiatives which an enterprise only looking for short-term profit maximization could never do. I really do hope the Yazaki Group continues and expands upon these initiatives.

The care the Yazaki Group gives to people doesn't limit to just employees and their families. As a responsibility to your suppliers to build healthy and solid supply chains, you distribute the Supplier CSR Self-Assessment Check Sheet and set up opportunities for direct dialogue when improvement is needed. Your effort to support improvement in each supplier's initiatives is exemplary. I also commend the way the Yazaki Group unwaveringly faces and surveys the issue of conflict minerals. Conflict minerals are a complicated problem, and I do hope you will continue without letting up on your steadfast efforts toward it.

Holding stakeholder meetings at each sites, is incredibly important in a sense of establishing trust with local communities, and grasping the needs of those communities. I am also impressed to feel the quality of your information transmission from the way you share the voices received at each site throughout your factories.

I can feel that you have a concrete base in your philosophies, your various systems and initiatives. However in order for you to upgrade the Yazaki Group's CSR initiatives even further, I write some comments from the perspective of content and reporting.

To fulfill the Yazaki Group Corporation Policy to be "A Corporation Needed by Society", the Yazaki Group needs to keep antenna up to quickly catch the changing demands from society and establish as they evolve with the times and have a decision-making system related to that information. In fiscal 2018, the Yazaki Group identified priority issues to be tackled on a priority Basis. Clearly showing the identification process has led to a sense of trust. On the other hand, reviewing need to be incorporated into an appropriate process. In order to catch these new demands with the proper timing amidst rapidly changing times and apply them to the operation of your business, you will need to integrate reconsideration as routine process.

Upon looking at the content reported in each of the identified priority issues, I can see that issues relating to the Group's organization like those concerning organizational establishment, governance, and supply chains account for 50% of the pages in this entire report, with environmental aspects accounting for 31%, and social aspects accounting for 19%. In the future, I'd like to see your initiatives with and reports on social aspects increase.

When checking your response to internal and external trends as well as social demands, I got the impression that your efforts toward climate change need to more paid attention. You do have the target of reducing global CO₂ emissions per unit by 20% from fiscal 2010 by fiscal 2020, but when you take into accounts facts that damage from climate change has recently begun manifesting itself, climate emergency declarations continue one after another, and movements among the world's younger generations like those of Sweden's Greta Thunberg are growing. The trend of even national governments around the world aiming to reduce emissions by 80% or to zero in 2050, I feel a bit dissatisfied with the timing and scale of your reductions. Additionally, if we need to reduce the total volume of CO₂ emissions, in order to stop the impact climate change. Please put more effort toward climate change initiatives in addition to increasing reports on your awareness of and initiatives toward its mitigation.

From a social perspective, the rate of parental leave usage by qualified employees in the Yazaki Group at a Glance section applies to women only, which I think goes against the trends of today. Even if the numbers are still a bit low, please show us the rate of parental leave usage among your male workers too. By reporting on only women, it could be inferred that your enterprise holds values saying only women should take parental leave.

Next, I'd like to talk about the way you report. Although the number your initiatives and its results is important, what's more important is showing how you acknowledge those results, how you are trying to respond to them, how changes occur chronologically, how you acknowledge those transitions, and how you are trying to respond to them.

The Yazaki Group at a Glance section offers a look at some important numbers and is great as a cross section showing the enterprise's current status. However, when things like the percentage reduction in CO₂ emissions per unit, contribution to reducing CO₂ through products, and the area of Yazaki Forest are shown as just a cross section, it's hard for reader to know how grasp that information. Please tell us how successful your continued efforts by showing transitions, report to us how you acknowledge and respond to those results.

As another similar example, rather than just saying you have consultation hotlines for employees, it's better to be explained how many consultations you receive and of what variety. Also I wonder how do you respond to them. I'd like to know more about not only the existence of structures and systems but if they are being effectively junctioned and what is you plan to do with them in the future.

I've offered a number of points regarding your report and its content, but overall your initiatives and report are impressive. I very much hope you will steadily go on to make further improvements in the quality of your initiatives and reports, making them an example for other companies.

For inquiries, please contact

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