



Social & Environmental Report  
**2014**



## 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.

## Report Outline

### Editorial policy

The Yazaki Group has been publishing its Social & Environmental Report annually since fiscal 2002 for the purpose of sharing information on its corporate activities with stakeholders and encouraging employees to take part in social and environmental contribution programs. The report covers our activities during the past 12 months and their results, centered primarily on the five stakeholders, namely: customers, business partners, local communities, employees, and the global environment. Additionally, environmental reports have also been published by each factory in Japan since fiscal 2005. These site reports are available on our website.


### Please visit our website

While this report provides an outline of activities of the Yazaki Group, our website presents more detailed information and data. Please access the following URL:

<http://www.yazaki-group.com/global/ser/>

- **Reporting period**  
Fiscal year 2013 (June 21, 2013 to June 20, 2014)
- **Organizations covered**  
Yazaki Corporation and consolidated companies in Japan and overseas
- **Guidelines consulted**  
Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan  
Environmental Accounting Guidelines 2005, Ministry of the Environment of Japan  
Sustainability Reporting Guidelines 2006, Global Reporting Initiative (GRI)
- **Reader response questionnaire**  
Please send us your comments on this report online through our website.

### Supplementary information on this report

- **Definition of "fiscal year"**  
The term "fiscal year" as used in this report means the period shown below:  


June July Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July  
 ← from June 21, 2013 through June 20, 2014 →  
 Yazaki Group fiscal 2013
- **Indication of organization responsible for each activity**  
Yazaki Corporation and consolidated companies in Japan and overseas are referred to as the "Yazaki Group."  
As for activities conducted by other organizations, the responsible organization is specified in each instance.
- **Terminology**  
Footnoted terms are explained at the bottom of the page on which they appear.

## Contents

Business Outline	3
The Yazaki Group's Business Segments	5
<b>A Message from the President To Our Stakeholders</b>	7
<b>Special Feature</b>	
<b>Connecting for the Future of Local Communities— The Yazaki Group's New Business</b>	9
<b>Social Initiatives</b>	13
Thorough Compliance	14
Responsibilities to Customers	15
Responsibilities to Business Partners	17
Responsibilities to Employees	18
Responsibilities to Local Communities	21
<b>A Message from the Chairperson To Our Stakeholders</b>	23
<b>Global Environmental Initiatives</b>	25
Yazaki Environmental Plan	26
Environmental Management	27
Management of Chemicals	30
Prevention of Global Warming	31
Recycling of Resources	32
Environmentally Friendly Design	33
Activities Contributing to Environmental Conservation	35
<b>Third-Party Comments</b>	36

# Contributing to Global Communities through a Variety of Businesses

## Company Overview

**Company name:** Yazaki Corporation

**Established:** October 8, 1941

**Representatives:** Yasuhiko Yazaki, Chairperson  
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 in 1950)  
Yazaki Parts Co., Ltd. (established in 1959)  
Yazaki Energy System Corporation\*1

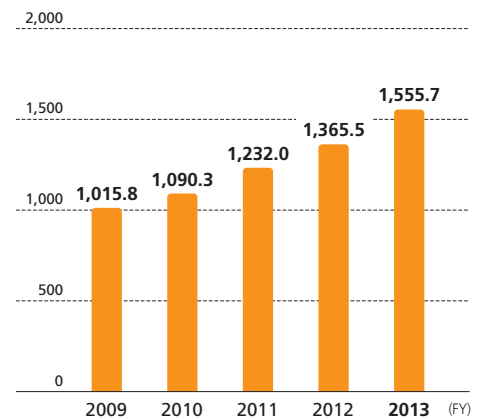
**Number of Yazaki Group companies:** 165 in total  
(as of June 20, 2014)  
 Group companies in Japan\*2: 63  
 Overseas Group companies: 101  
 Public interest incorporated foundation: 1

**Number of employees:** 257,100 in total  
(as of June 20, 2014)  
 Employees in Japan\*2: 21,200  
 Overseas employees: 235,900

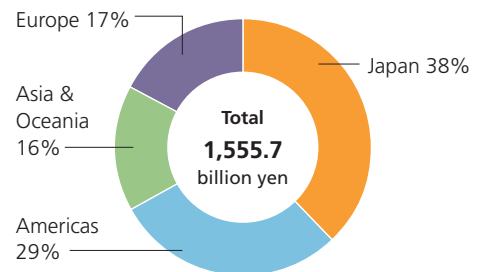
\*1 Established as Yazaki Electric Wire Co., Ltd. in 1963 and changed its name in 2012.  
 \*2 Including subsidiaries and affiliates in Japan

## Net sales (consolidated)

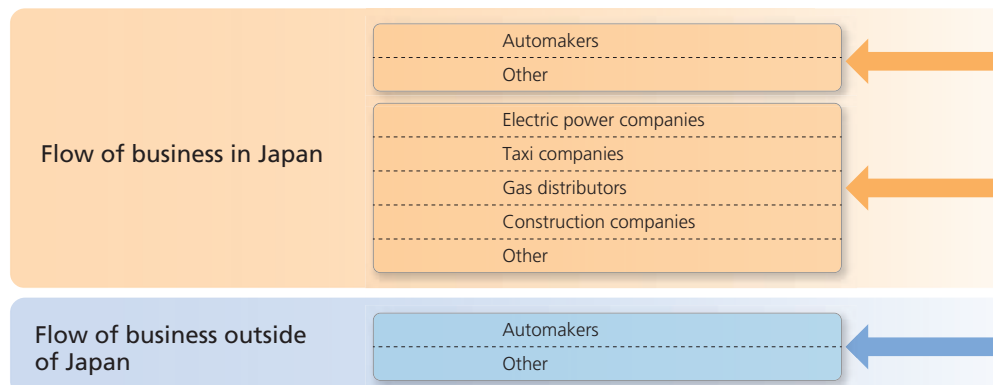
(billion yen)



## Breakdown of net sales by region



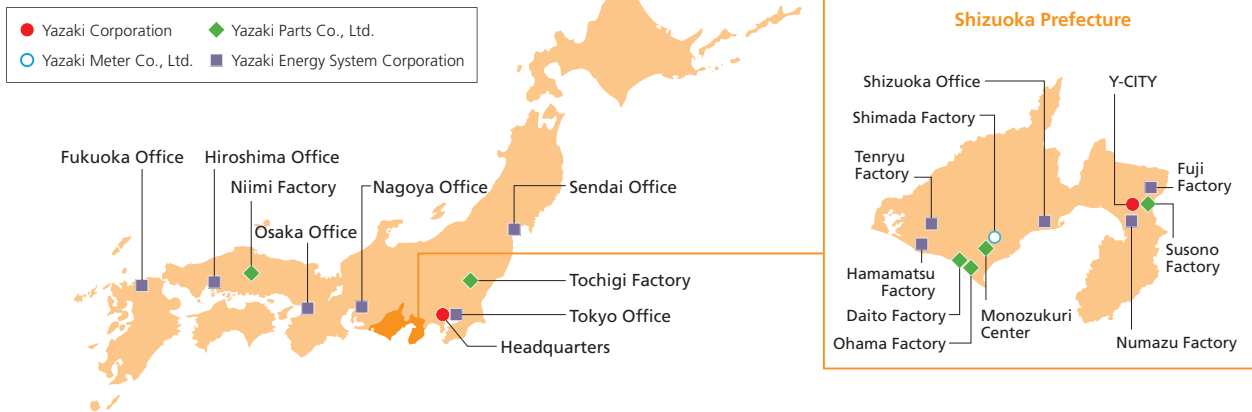
## Flow of business in the Yazaki Group



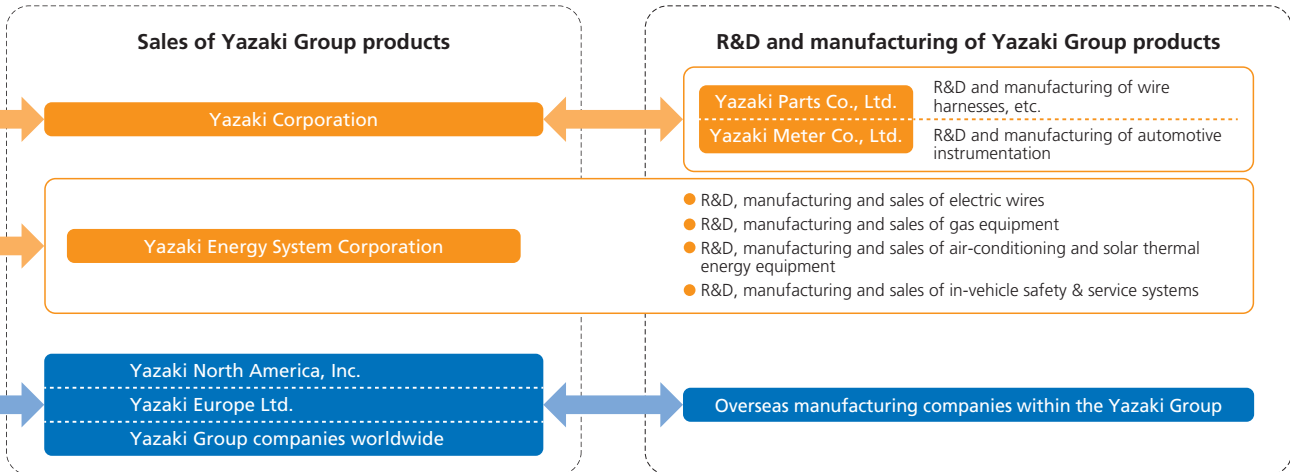
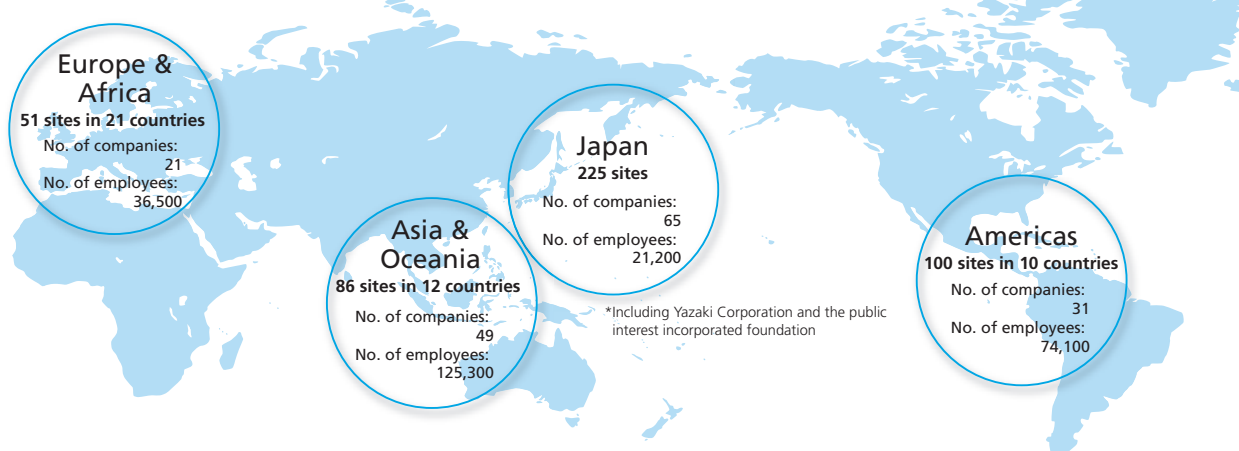


The Yazaki Group comprises of Yazaki Corporation, 63 domestic Group companies, 101 overseas Group companies, and one public interest incorporated foundation. Our main products in Japan include automotive parts, electric wires, gas equipment, and air-conditioning equipment, while major products overseas are wire harnesses and other automotive parts.

### Main factories and offices in Japan



### Scale of business of the Yazaki Group



## (For Cars)

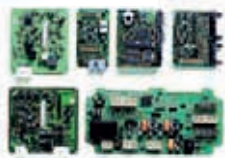
Yazaki provides a wide range of products including wire harnesses (which function as the nervous system or a blood vessel of a vehicle), meters, and other devices that support car electronics.

### 1 Wire harnesses

A wire harness is an assembly of wires that transmits electrical power and signals.



Wire harnesses



Electronic parts

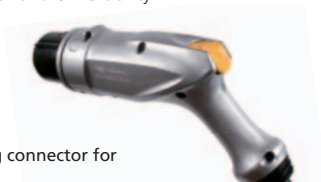
### 2 Meters

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



### 3 Charging connectors

Yazaki's connectors, a device indispensable for charging electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs), are renowned for their reliability.



DC charging connector for EVs/PHEVs

### 4 In-vehicle safety & service systems

As a specialized manufacturer of automotive equipment that supports safe and eco-friendly driving, we are contributing to traffic accident prevention and environmental conservation.



DTG5 digital tachograph



LT26P II taxi meter with printer



To be “A Corporation in Step with the World” and “A Corporation Needed by Society” as stated in its Corporate Policy, the Yazaki Group delivers products and services that are essential for a comfortable living environment, including wire harnesses and other automotive components, electric wires, gas equipment, air-conditioning units, and solar thermal energy equipment. We are also actively expanding our sphere of business to such areas as nursing care and recycling.



## (For Communities)

We endeavor to identify unmet social needs and launch new businesses that help reduce environmental impact and contribute to local communities.

### 9 Environmental, recycling, and agriculture-related businesses

We actively promote various recycling initiatives, such as recycling glass to produce lightweight porous materials for civil engineering. We are also working on improving efficiency in farming by offering seeders and unique gel-encapsulated seeds.



Super Sol R, a porous material made of waste glass

### 10 Nursing care business

We deliver community-based nursing care services at nine locations in Japan.



Yazaki Care Center Kami Fusen located within Y-CITY

## (For Everyday Lives)

By providing equipment that supports our daily lives and the efficient use of electricity, gas, solar heat, and other energy sources, as well as environmentally considerate air-conditioning equipment, we are contributing to the enrichment of people's everyday lives.

### 5 Electric wires

We are a pioneer in environmentally friendly electric wires, such as halogen- and lead-free wires. Our products were recently EcoLeaf-certified.



### 6 Gas equipment

We provide a variety of gas equipment including gas meters and residential fire alarms to ensure the security and safety of our customers.



U-Smart, ultrasonic liquefied petroleum (LP) gas meter



Wireless residential fire alarm

### 7 Air-conditioning equipment

We offer environmentally friendly absorption chiller-heaters powered by solar heat, waste heat, wood pellets, and other energy sources.



Bio-Aroace, wood pellet fired absorption chiller-heater

### 8 Solar thermal equipment

We meet the needs of customers by leveraging our solar thermal technologies accumulated over more than 40 years.

Eco Solar Type II, a solar-powered system that can be connected to an automatic water heater



## A Message from the President

### To Our Stakeholders

**“Understanding and sharing the purpose”  
and “Identifying problems through  
planning, implementation and check and  
working out solutions” are fundamental  
to everything we do.**

The Yazaki Group operates in 44 countries with about 250,000 employees.

We have made continuous efforts to build and improve mechanisms to carry out manufacturing among a diverse range of languages, cultures and customs.

Any mechanism, however, requires people's involvement in order to function as designed.

It is crucial that people, or rather every one of us, has an understanding of the purpose of our work and shares it with others. I believe that identifying problems through planning, implementation and checks as a way to solve them is absolutely fundamental to carrying out any task.

I would like to share the fundamentals with all employees, with the goal of becoming “A Corporation in Step with the World” and “A Corporation Needed by Society” as stated in our Corporate Policy.

I wish to take this opportunity to review the past fiscal year, and discuss the direction for the future.

#### Looking back on the 2013 fiscal year

In fiscal 2013, despite the impact of the weaker yen, consolidated net sales reached 1,555.7 billion yen, up 13.9% year-on-year, owing to increased orders following the recovery of the North American market.

I would like to sincerely thank all the stakeholders who have supported the Yazaki Group for their cooperation, which brought about the results. What I particularly appreciated in fiscal 2013 was that our business partners joined forces to support Yazaki in handling domestic production, which increased above expected levels. Having renewed our recognition of the importance of relationship-building, we will step up our efforts to build even stronger relationships.

Thankfully, our sales increased and net profits were achieved, and financial reports for the fiscal year ended in the black. On the other hand, we were not able to sufficiently prepare production in response to sharply increased orders, which resulted in problems that shook confidence in the quality of our products. Individual events appear different on the surface, but they all have a commonality: each was a trivial factor at the beginning but accumulated over time to develop into a bigger problem.

Having deeply reflected on the fact, we are now committed

to sharing with all employees that we will solve any problem that we will find in daily management, regardless of its scale, by identifying its *jitsu-suu* (real numbers), *jitsu-me* (real names) and *jitsu-jikan* (real time).

#### Understanding environmental changes and responding flexibly

The automotive industry continued its steady growth in 2014. Global car production is expected to reach 90 million units by the end of 2014 and exceed 100 million units in 2016. The major driving force of the growth can undoubtedly be found in emerging countries, particularly in China and ASEAN countries. These regions, however, often come hand in hand with unstable political, economic or labor environments. We must therefore carefully identify possible risks.

In order to better understand such risks, as well as other elements, and flexibly respond to changes, we have developed a global production system that has liquidity. We believe that not only risk reduction and short-term revenue improvement, but also optimization of the production system based on deep understanding of the cultures and customs of each country and thinking of individual employees is indispensable.



*Shinji Yazaki*

Shinji Yazaki  
President, Yazaki Corporation

### To connect customers and Yazaki

Wire harnesses and other automotive components form the greatest pillar of the Yazaki Group's business. In order to continue to create products that customers find attractive, we will enhance our global development system and improve the level of our technologies with the concepts of connecting car components, connecting cars with people, and connecting cars with life.

At the same time, we must truly understand what customers want, instead of assuming what customers may want. To understand and share the changing needs of customers without fail, we will clarify the roles and responsibilities of each of the sales, development, production and administration divisions, and enhance our organization for stronger cross-divisional cooperation.

### Yazaki Energy System Corporation challenges

This year, Yazaki Energy System Corporation entered the third year since its foundation in 2012. The company has thoroughly validated its business operations from various perspectives, and confirmed the importance of "product planning unique to Yazaki Energy System."

We believe that it is crucial to fully incorporate customers' feedback and take full advantage of Yazaki's accumulated strengths.

The new company still has many business opportunities, including growing demand for wires in emerging countries, and accordingly will expand its operations in a more proactive manner.

### Enhance global compliance

It is needless to say that laws and regulations we must comply with are ever changing. To respond to such changes unflinchingly, we need to build a global compliance system. Reflecting on our competition law violations and with a determination not to repeat such failures, we will step up our efforts to develop systems and mechanisms that ensure thorough compliance.

Whatever mechanism we may build, it does not make sense if every one of us is unaware that any violation of law may affect the fate of our company. Therefore, we will further enhance our education system and repeat communication with employees on the importance of daily management.

### Toward the realization of a sustainable society

The Cabinet of Japan adopted the Basic Energy Plan in April 2014 to show a new direction to respond to major environmental changes like that caused by the Great East Japan Earthquake. Businesses are expected to play greater roles in addressing not only the energy issue but also other issues, including global warming and the tightening of regulations on environmental conservation.

With the establishment of the Yazaki Global Environment Charter in 1997 and the development of the Yazaki Environmental Plan, the Yazaki Group is focused on environmental conservation. With the ongoing globalization of supply chains, we are committed to ensuring compliance with environmental laws in fiscal 2014 by improving and operating our system for collecting information on local laws and regulations around the globe and by enhancing cross-divisional cooperation and cooperation with business partners.

Not only in these initiatives to tackle environmental issues but in any activities, we will be fully aware of the fundamentals mentioned at the beginning, and correct what we should correct and further improve good elements, with the goal of achieving the Corporate Policy. We appreciate our stakeholders' support, which we shall continue to rely upon in the future.



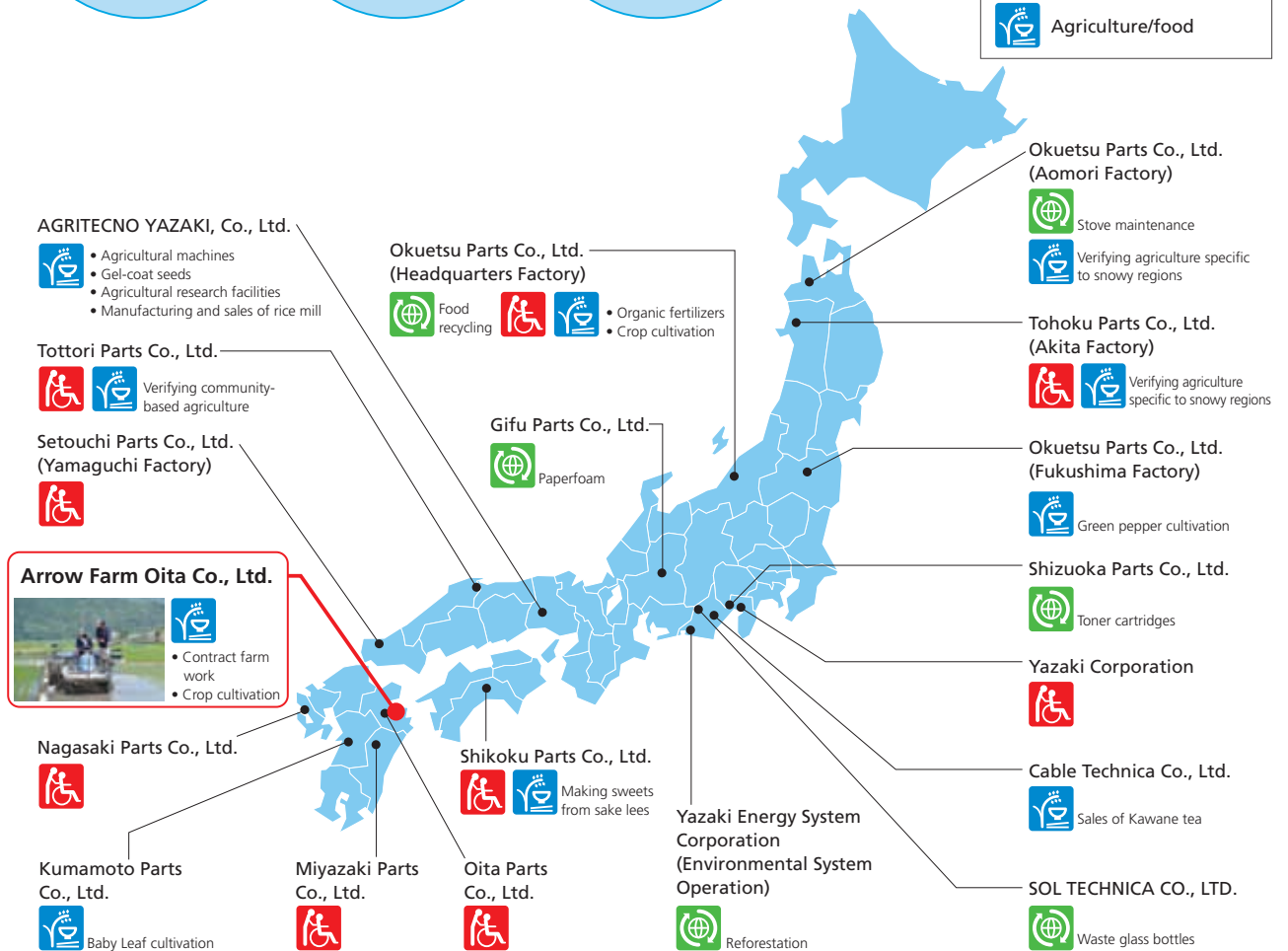
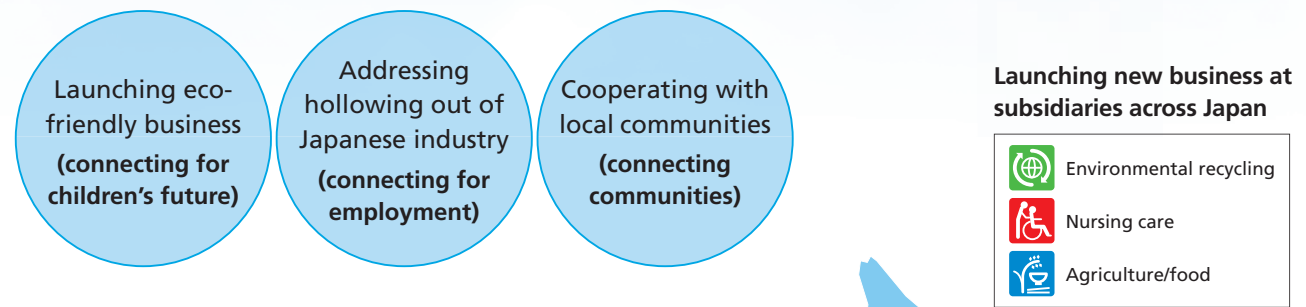
**Special  
Feature**

# Connecting for the Future of Local Communities— The Yazaki Group's New Business

To be “A Corporation in Step with the World” and “A Corporation Needed by Society” as stated in its Corporate Policy, the Yazaki Group operates its business, always bearing in mind how it can contribute to society.

To address the ongoing issue of the hollowing out of Japanese industry due to a shift to overseas-based production, the Yazaki Group is proactively working on new business in the areas of environmental recycling, nursing care, and agriculture with the concept of “connecting children’s future, employment and local communities.”

**Basic concept of new business**





# Launching a Community-Based Agricultural Corporation Arrow Farm Oita

Arrow Farm Oita Co., Ltd. (AROI) was established in December 2013 as a spin-off from the agricultural business of a Yazaki Corporation subsidiary, Oita Parts Co., Ltd.

This special feature describes the purpose, business, and basic approach of AROI, and introduces the thoughts of its employees and cooperating stakeholders.

## Company outline



Company premises, formerly a school, are on loan from Saiki City

**Name:** Arrow Farm Oita Co., Ltd.  
**Address:** 9731 Kaminada, Saiki City, Oita Prefecture  
**Capital:** 20 million yen  
**President:** Toshihisa Nagoshi  
**Establishment:** December 3, 2013  
**Business:** Production, processing, sales, pickup, and logistics of crops, and contract agricultural work  
**Main crops:** Rice at Saiki field  
 Chinese chives and sweet potatoes at Nozu field



## AROI president talks about his passion for agricultural business

### We aim to become an agricultural corporation needed by the community to achieve the Yazkai Group's Corporate Policy

Toshihisa Nagoshi, President, Arrow Farm Oita Co., Ltd.

Saiki City in Oita Prefecture is facing such issues as an increase of deserted arable land, aging of the farming population, and a lack of successors. AROI was established to address these issues together with the local government and farmers.

I don't think that, initially, people in the community expected AROI—a spin-off of a manufacturer without knowledge or experience of agriculture—to become so deeply involved with locals and participate in local events. They might have thought that the status quo of the local agriculture industry would overbear. Assuming that action is the only way to change this kind of situation, we have proactively joined local gatherings and worked on issues, as they arose, with locals. As a result, we have had more and more opportunities to talk with municipal government employees, Japan Agricultural Cooperatives (JA)

employees, and farmers, and as a result have built relationships in which both parties can learn from one another. Through these processes, time and again, we have renewed our recognition of the importance of building connections within local communities and having mutual understanding. As we have little knowledge and experience, we need to learn about agriculture from the community in order to become of any help to them.

In order to be able to contribute to solving such issues as the revitalization of local agriculture and job creation in the future under the policy of "continuing to be an agricultural company of some assistance to local community," we must solidify the foundation of our company first. We will make steady efforts to grow step by step with people in the community.



Oita Prefecture

Nozu  
Saiki

# Arrow Farm Oita Values Connection with Local Community

## Farmers



Mr. Yoshiyasu Kawano  
Community Representative  
in Nishino Area



Mr. Tetsuo Watanabe  
Representative of  
Nishino Area  
Conservation Association



Mr. Masashi Hikita  
Secretariat of Nishino  
Area Conservation  
Association

### As a member of our community

One of the problems in practicing agriculture in this area near mountains is wild animal damage. Installing guard fences is an effective measure, but we could not do it due to the elderly age of many farmers. Against this backdrop, AROI employees took the initiative and helped us install fences. That instantly resulted in a great reputation for AROI among local residents. They recognized that "AROI people work hard together with locals on local issues." Even those who were initially dubious seem to have gradually accepted AROI as a member of our community.

## Arrow Farm Oita



Sakiko Shimokawa  
AROI Saiki staff

### Become a bridge for new farmers

Looking at Saiki City as a whole, I recognize that the city lags behind in terms of the repair of—and subsidies—farmland. I want to reduce wasteland, and conserve the wonderful landscape of Saiki. To that end, the government, JA, farmers and AROI must join forces to solve the obstacles we face. As a member of the company engaged in agriculture in this community, I will work hard to someday serve as a bridge for new farmers like us.

Supporting agriculture

Cooperating with locals

## Livestock farmers



Mr. Yasunori Nakagawa  
Nakagawa Farm

Returning compost

Selling WCS



Checking the growth of rice

### Keeping a good partnership beyond our own field

Cooperation between farmers, AROI and us livestock farmers achieved recycling-oriented agriculture within the community, which works as follows: (1) AROI turns feed rice, which is produced by contract farmers, to whole crop silage (WCS)\* and sells it to livestock farmers; and (2) livestock farmers provide rice farmers with manure compost of WCS-fed livestock. This mechanism, mediated by AROI, has further strengthened the relationship between rice farmers and livestock farmers, and made me feel strongly that I am playing a part in local agriculture. We expect AROI to launch further initiatives that take advantage of its strength as a company.

\* Whole crop silage (WCS) refers to animal feed made from rice cultivated for feedstuff.



Whole crop silage (WCS)





Naomi Tahara  
AROI Nozu staff

## Learning every day to be a company that the community relies on

Unlike manufacturing, hours worked are not necessarily proportional to sales in agriculture. But we have just started. We are working hard, day and night, to get our business on track by developing, implementing, and willingly improving on our elaborate plan.

Every day is a day of learning. We sometimes receive advice or harsh comments from local farmers, but will positively make continued efforts to be a company that the community relies on.



Growing Chinese chives in greenhouses

Improving crop yields

Supporting agriculture

## Government



Mr. Yasumaro Takeishi  
Assistant Team Manager  
Rice Field and Livestock Team  
Agriculture and Forestry Section  
Agriculture, Forestry and Fisheries Department  
Saiki Municipal Office



Mr. Takahisa Kan  
Section Manager  
Commerce Promotion Section  
Planning, Commerce, Industry and Tourism Department  
Saiki Municipal Office

Providing a former school building

Revitalizing the community

## Expecting solid management for the future

The areas of land we are letting out to AROI is scattered around the community, which is inefficient for transporting agricultural equipment. We suppose AROI has great concerns and difficulties in improving efficiency and generating profit. Nonetheless, AROI is committed to continuing agriculture in Saiki City, and we respect and appreciate that attitude. Their activities have just begun. Expecting that their initiative will revitalize both AROI and Saiki City in the future, we as a local government will provide as much support as possible.

## JA



Mr. Yoshimasa Takayama  
Agricultural Economy Liaison, Economy Section  
Saiki Department  
JA Oita



Mr. Kazumasa Tada  
Players Liaison  
Economy Section  
Saiki Department  
JA Oita



Mr. Yukihiro Harada  
Sales Manager  
Nozu Department  
JA Oita

## Expecting the business to be long-standing

JA provides businesses as new entrants to agriculture with agricultural guidance in expectation of increased crop transaction volumes. Meanwhile, with our guidance AROI can increase yields and improve quality. So we have a mutually beneficial relationship.

One of the positive impacts of AROI on this community is the reduction in deserted cultivated land. To take the example of rice fields, when AROI cultivates rice field that has been left idle as local farmers cannot maintain it, water flows to ditches of neighboring deserted rice fields. That may encourage owners of the deserted fields to resume agriculture. In this respect, we are very thankful to AROI. We hope farmers, companies and JA will work together on a long-standing basis.

Placing its Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society"—at the foundation of all its activities, the Yazaki Group has been striving to contribute to the development of a better society. We continue to fulfill our corporate responsibilities with a focus on further engagement in dialogue with our stakeholders.

# Social Initiatives



## Responsibilities to Customers



### Providing a stable supply of high-quality and high-function products

- Developed BCP as disaster response, and started evaluation of its effectiveness.
- Held training for partnering distributors to help them understand our products.



## Responsibilities to Business Partners



### Building fair and open relationships

- Held Yazaki Global Suppliers Convention and technology exchange.
- Held briefing on the use of X-ray fluorescence (XRF) analyzer and the analysis method.



## Responsibilities to Employees



### Creation of a comfortable work environment

- Adopted a new personnel system "Rewarding Employees Who Worked Hard."
- Employees were strongly encouraged to undergo employee well-being evaluation.



## Responsibilities to Local Communities



### Seeking harmonious relationships with local communities

- Held Shimizu S-Pulse sponsor match.
- Provided public foot bath at the World Cultural Heritage Mt. Fuji.

Photos (from top): Training for partnering distributors, Yazaki Global Suppliers Convention, Summer Camp, Shimizu S-Pulse sponsor match





# As a Company Exercising Good Common Sense and Responsibility

**Under its Corporate Policy, every executive and employee is committed to full compliance with laws and regulations and determined to contribute to society with the pride as a member of Yazaki.**

## ● Basic concept

Forming part of its Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society," the Yazaki Group's Fundamental Management Policy sets forth our commitments that include "Uphold the law, respect regional cultures, and contribute to economic and social development." This statement emphasizes our positioning of compliance as the basis of our corporate activities.

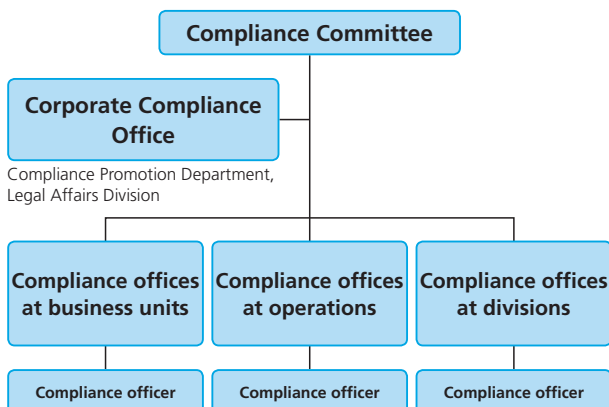
Based on this commitment, Yazaki not only ensures that each and every executive and employee strictly obeys all applicable laws and regulations but also expects them to develop a strong understanding of corporate ethics and to conduct business activities in a fair and responsible manner. We believe this is what gives us the flexibility to adapt and respond to changing social expectations.

## ● Organizational structure to ensure compliance

The Yazaki Group established a Compliance Committee in October 2010 to develop and reinforce its organizational structure to ensure compliance. With the President as chair, the Compliance Committee holds meetings on a regular basis, and manages the company-wide compliance system by, among other activities, determining basic policies, establishing in-house regulations, and formulating training plans regarding compliance.

In addition, compliance offices under the control of the Compliance Committee were set up at all business units, operations, and divisions. These offices cooperate with the Corporate Compliance Office to monitor compliance training activities conducted at each business unit, operation, and division, and watch for any contact with competitive companies.

### Organizational chart



\* A compliance officer is designated at each business unit, operation, and divisions as necessary.

## ● System to protect whistle-blowers

Yazaki operates "Yazaki ai," a whistle-blower protection system, to facilitate the early detection and rectification of compliance issues. Accessible by all employees within the Yazaki Group in Japan, including those of subsidiaries, the system provides a means of reporting to and consulting with both internal operators and an external law firm. We also established a contact point for business partners at an external law firm to enable them to report and receive consultation on any problems about the way we conduct business.

## ● Compliance training

Yazaki provides a wide variety of training opportunities to both executives and employees, including programs tailored to each level, group training, and e-learning, to further raise their awareness of compliance. There are also various training programs for different levels and on different laws to ensure that each individual employee acts properly according to their assigned tasks or position.

### Compliance training

Type	Target employees
<b>Training for different levels</b>	
Training for executives	Operating officers or above
Management training	Managers and leaders
New employee training	New employees
Training prior to overseas transfer	Sales, purchasing, R&D and other divisions
<b>Training on various laws</b>	
Antitrust Law training	In-house Subcontract Act auditors, purchasing, production and other divisions
Subcontract Act training	Purchasing and production divisions, in-house Sub-Contract Act auditors, etc.



# Initiatives for Increasing Customer Satisfaction

**At Yazaki, our customers come first. We serve our customers with a stable supply of high-quality products that consistently meet safety standards.**

## Basic approach to fulfilling our responsibilities to customers

The Yazaki Group manufactures and sells products that enhance the quality of people's living environment, including automotive parts, electric wires, gas equipment, air-conditioning units, solar thermal systems, and instrumentation. To fulfill our responsibility as a manufacturer to deliver "the highest quality products to anywhere in the world in the suitable time at a competitive cost," we ensure that each and every one of our employees thinks and acts from the customers' perspective to serve as an indispensable partner for our customers.

## Initiatives of each division

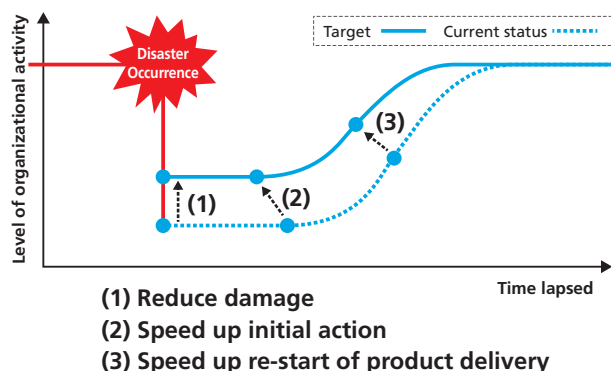
### Automotive Sector

In order to understand the needs of each customer as quickly as possible and provide new products that satisfy their needs as well as to promptly respond to various requests, we have organized customer-specific business units, each of which comprises staff from development, production, and sales divisions. This organization also enables us to implement cross-divisional management of our corporate responsibilities, including legal compliance.

In fiscal 2011, we started developing a business continuity plan (BCP) as we stepped up our disaster response activities. The basic policies are: (1) humanitarian support (life-saving first; rescue); (2) early recovery of affected areas (regions); and (3) early resumption of our business and production. To reduce damage and speed up both initial action and the re-start of product delivery, our BCP sets forth matters and indicates which division is responsible in normal times as well as in emergencies, and when resuming business.

To evaluate the effectiveness of the BCP, we started verification in fiscal 2013 as to whether each division can act according to the recovery scenario, whether the communication route functions properly, whether we can complete a survey on the impact within a designated period when our suppliers are affected, and other aspects through a disaster imagination game (DIG) and business continuity drill.

### Purpose of BCP



### Living Environment Equipment Division (Yazaki Energy System Corporation)

Yazaki Energy System Corporation was established in June 2012 to undertake development, production, and sales of electric wires, gas equipment, air-conditioning units, solar thermal systems, and instrumentation in an integrated fashion. Since the foundation, giving first priority to our customers' opinions, we have carried out activities to help people understand our products and services, and developed and released new products that reflect customers' needs.

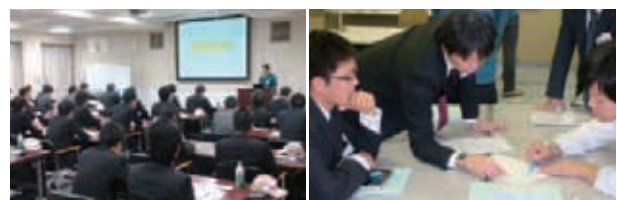
We will continue to provide products and services that can satisfy our customers.

#### Electric Wire Division

Since 2002, we have organized seminars for our partnering distributors<sup>†</sup> to provide basic information on electric wires and cables, as well as to explain the manufacturing methods used and features of new products. In fiscal 2013, the seminar was held in November 2013 and March 2014 with a total of 66 people from 37 companies participating. At the seminars, we provided distributors with opportunities to actually touch our products, and introduced how they reflect comments from installation service providers. Additionally, with the help of the instrumentation division, we introduced drive recorders and telematics that support our partnering distributors in product delivery.

Moreover, we conducted a customer satisfaction survey targeted at partnering distributors on a regular basis to share their opinions and requests with the development and production divisions to improve customer satisfaction.

<sup>†</sup> Partnering distributor: a general term applied to agents with strong business ties to the Yazaki Group



Seminars

### Gas Equipment Division

The Yazaki Group provides gas equipment service stores (GSS) with training under the GSS Specialist System, which is Yazaki's unique qualification system aimed at helping GSS employees acquire and maintain technological knowledge and skills related to various types of gas equipment. In fiscal 2013, 50 employees were certified.

Meanwhile, the Yazaki Gas Equipment Training Center, which was established in 1981 to provide training for engineers seeking to gain a national qualification required for the installation of liquefied petroleum gas (LPG) equipment, provided four training sessions in fiscal 2013, and 58 trainees gained the qualification. A total of 1,383 trainees have been certified to date.



Lecture for engineers



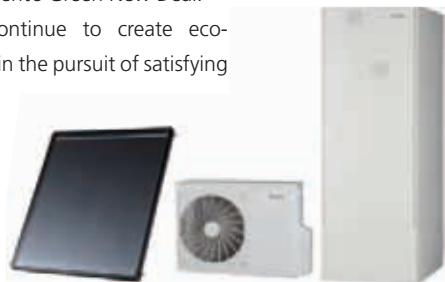
Skill practice for engineers

### Environmental System Division

Since 1976, the Yazaki Group has sold various types of home-use solar thermal energy equipment to contribute to preventing global warming and conserving energy.

In fiscal 2013, U.S. Marine Corps Air Station Iwakuni adopted our water heater "EcoCute Solar Heat" in its new housing construction project. With the weather prediction function equipped in EcoCute (a generic term for an energy-efficient electric water heating and supply system), our solar heater can automatically adjust the volume of water heated at night (with a heat pump) and during the daytime (with solar panels). The product was adopted partly because its features agree with the policy to save energy in public projects, as well as the adoption and promotion of renewable energy, which forms an integral part of the U.S. government's Green New Deal.

We will continue to create eco-friendly products in the pursuit of satisfying customer needs.



EcoCute Solar Heat

### Instrumentation Division

The Yazaki Group has developed tachographs for over half a century. In recent years, we developed a tachograph that has an additional function of data communication to grasp a traffic situation on a real-time basis. The product not only helps in terms of eco-driving, which is necessary for a low-carbon society, but also focuses on preventing accidents by beeping to alert drivers when it detects dangerous driving conditions.

In recognition of these features, ESTRA-Web, our cloud system for commercial vehicles, received the Grand Prize, as well as the Minister of Internal Affairs and Communications Prize and the Mobile Technology Prize, at the MCPC Awards\* 2014.

We will make continued effort to develop products that support eco-driving, safety, and comfort.



Award ceremony

\*The MCPC award is given to companies and organizations that have improved operational efficiency or performance or greatly contributed society by adopting mobile systems.



# Seeking Mutually Beneficial and Harmonious Relationships

We conduct open and fair transactions with our business partners, sharing our policies and goals with them.

## Communication with our business partners

### Yazaki Global Suppliers Convention

We hold the Yazaki Global Suppliers Convention annually to share procurement policies and issues with our suppliers of raw materials and parts for electronics, instrumentation and wire harnesses through two-way communication.

In fiscal 2013, we held the convention in July with the participation of 118 suppliers from Japan and overseas. The President of Yazaki Corporation explained the Group's priority measures that aimed at strategic business expansion with enhanced competitiveness. Additionally, to reinforce the BCP, he asked the suppliers to ensure their own risk management, secure flexible production systems and ensure compliance. The General Manager of the Purchasing Operations reported on the procurement policy in fiscal 2013—overwhelming cost competitiveness, supply chain management, pursuit of manufacturing, securing quality and risk management, and enhancement of business foundation with all of these—and shared related information.

A supplier technology exchange was held on the sidelines of the convention. To facilitate mutual cooperation with suppliers and to strengthen our global purchasing structure, we introduced proposals from 30 suppliers on the enhancement of quality assurance, stable supply with the development of the BCP, and other matters, as well as initiatives at the Yazaki Group. The event provided suppliers with an opportunity to actively exchange opinions with other suppliers.

We will facilitate mutual understanding with suppliers through such conventions and exchanges, with the goal of achieving global manufacturing that can quickly respond to environmental changes.



Yazaki Global Suppliers Convention (Left: President Yazaki, Right: Purchasing Operations General Manager Kato)

## Reinforcing our compliance framework with business partners

### Enhancing systems to check for SOC containing/non-containing

To ensure compliance with laws and regulations, including the ELV Directive and the RoHS Directive in Europe, we have been working with our business partners on developing systems that can prevent containing of substances of concern.

In fiscal 2013, to enhance the system that checks whether substances of concern are contained, we held a briefing session on the use of an X-ray fluorescence (XRF) analyzer and the analysis method with Hitachi High-Tech Science Corporation. A total of 47 people, comprising 38 people from 27 suppliers and 9 Yazaki employees, participated in the briefing.

The participants reconfirmed the ELV Directive and other regulations, and deepened their understanding of how to handle equipment and how to make judgment calls.



Briefing on XRF

### Briefings on conflict minerals surveys

There is a concern that mineral resources exploited in the Democratic Republic of Congo and surrounding countries are alleged to be funding armed groups that are causing human rights infringements, environmental destruction, and other problems.

Therefore, the United States defines tantalum, tin, gold and tungsten as "conflict minerals" under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), and requires listed companies in the United States to annually disclose information about the use of conflict minerals.

To meet requests from auto makers and other customers about conflict mineral surveys, the Yazaki Group held a briefing for 180 suppliers in May 2014. We explained the outline of the Dodd-



Conflict minerals survey briefing

Frank Act, as well as how to conduct a survey tracing back supply chains, to participating suppliers, and requested their cooperation in completing the survey.





# Creating a Sound Work Environment

We ensure that systems and arrangements for employees are improved continuously to allow every employee to fully demonstrate their abilities.

## Recruitment and development of diverse human resources

### Adopting a new personnel system

With many changes in the 23 years since the introduction of the former personnel system based on function and qualifications, there has been a growing need to change the personnel system to fairly evaluate roles and performance and improve job satisfaction. To solve issues facing the old system, including promotion in accordance with length of service and age, Yazaki's management and labor union held discussions over a year. Aiming to fairly evaluate employees who willingly take on challenges, those who undertake and fulfill their roles, and those who produce results while keeping Yazaki's reliable and pleasant working environment, we adopted a new personnel system "Rewarding Employees Who Worked Hard" in March 2014.

Changes to any evaluation system will not meet the goal without changing awareness among the people who operate it. To achieve the goal of fair evaluation that is worthy of employees' efforts and open and convincing evaluation, we provided education for evaluators. We will provide education on a continual basis to raise awareness and ensure rule-based operation of the system.

We are only at the start line with the adoption of the new system. We will continue discussions between the company and the Labor Union to improve the system to further motivate our employees.

### Promoting employment of workers with disabilities and expanding the scope of positions offered

We are striving to create a work environment that allows every employee, with or without disabilities, to live up to their potential mainly at Yazaki Business Support Co., Ltd., a special subsidiary company of Yazaki Corporation. We are improving our facilities to make them more accommodating to workers with disabilities, as well as making efforts to standardize operations and reinforce follow-up supervision at each workplace. In fiscal 2013, 59 workers with disabilities were employed to increase Yazaki Corporation's percentage of disabled workers<sup>†</sup> to 2.35%.

<sup>†</sup> "Percentage of disabled workers" in this context refers to the real employment rate specified in the Act on Employment Promotion etc. of Persons with Disabilities of Japan.

### Developing a globally competitive workforce

#### Yazaki Leadership Development Seminar

Since fiscal 2011, the Yazaki Group has provided Yazaki Leadership Development Seminar for young managers or manager candidates who are selected upon recommendation by their immediate superiors. The seminar aims to help participants acquire basic knowledge on management, develop leadership skills, and learn how to deal with diverse environments. In fiscal 2013, a total of 20 employees from around the world participated.



Participants (2 from Americas, 2 from Europe, 9 from Asia & Oceania, and 7 from Japan) and President

## TOPICS

### Summer Camp program for employees' children

#### Group photo of the participants



The Yazaki Group has been organizing a Summer Camp program for employees' children every year since 1977.

In fiscal 2013, 274 children in the fifth and sixth grades and in their first year at junior high school in Japan took part in the domestic Summer Camp, and enjoyed a tour of a Yazaki plant in the eastern part of Shizuoka Prefecture, hiking on Mt. Fuji and other activities. As they lived together for four days, they learnt the importance of friendship and nature.

As for the overseas Summer Camps in Vietnam and Thailand, a total of 142 children in their second and third years at junior high school in Japan participated. Meeting local junior high school children, sight-seeing and other experiences in the different cultures exposed them to an international way of thinking.

With regard to the Summer Camp in Japan, a program designed for children of overseas local employees, 288 children aged 14 and 15 years participated, and experienced Japanese history and culture at a local festival in Shizuoka Prefecture and through other activities.

The Summer Camp program also provides young Yazaki employees with opportunities for their own development as they engage in the camp operation, which includes escorting participating children.





## Creating a Sound Work Environment

### Recruitment and development of diverse human resources

#### Yazaki corporate culture training

Yazaki corporate culture training is a human resource development program in which employees of overseas group companies are invited to Japan to acquire a better understanding of our corporate culture through learning Japanese culture and language. Over the one-year period of the course, trainees have the chance to communicate with numerous Japanese employees. A total of 204



A trainee (second from left) experiencing "origami" paper holding

employees have successfully completed the program to date, currently serving in their home countries as a liaison with Japan. Five employees participated in the program in fiscal 2013.

#### Dialogue with top management

We promote dialogue between employees and top management of the Group as a way to deepen mutual understanding. In fiscal 2013, we held three "management dialogue" sessions, where department managers (18 managers in total) met with the president to discuss their ideas on managing their teams and workplaces, and 12 "employee dialogue" sessions, in which all employees in their fifth year at the company (205 participants in total) discussed the Group's principles and goals with the chairperson.



Participants in employee dialogue and Chairperson Yazaki

#### Adventure School

Adventure School provides prospective recruits, to whom we have made a job offer, with an opportunity for a one-year "knight errantry" to carry out a program planned by each individual. We launched this system in 1993 to develop human resources who have a global perspective and can respond to changes around the world.



An Adventure School participant (right-most)

In fiscal 2013, 39 participants improved their ability to cope with different cultures, creativity, self-initiative and language skills, and learned the importance of facing themselves and take on challenges.

### Creating a safe and employee-friendly workplace

#### Promotion of work-life balance

The Yazaki Group encourages employees to achieve work-life balance (harmonizing work with life), which is beneficial to both employees and the company.

In fiscal 2013, we redesigned our in-house website in March 2014, and changed the site name from "Site to help employees in childcare" to "Supporting childcare and nursing care." With regard to childcare, the new website explains in-house systems, as well as the number of employees who took leave, or used systems, for childcare, and provides new pages for managers who may be consulted by employees. As for nursing care, the site describes nursing care leave and other systems.

We will further improve the website and work on development of our corporate culture, one that allows employees to satisfy their work-life balance.

#### Improving mental and physical health

To promote mental and physical health among employees, we are stepping up our efforts to encourage employees to undertake employee well-being evaluations so that we can take care of employees who have serious stress at an early stage, in addition to the regular health checkup (physical checkup).

In fiscal 2013, we implemented a measure to improve mental and physical health through exercise (BMX) in cooperation with external experts. For administrative managers and persons in charge of health management, we held eight training and briefing sessions on early care of employees suffering mental health problems and the recurrence prevention program after they return to work (RTP) with a total of 54 employees involved.

We will continue to improve the work environment so that all employees can work pleasantly and cheerfully.

#### Safety, health, and disaster prevention activities

At the Yazaki Group, the management and employees work together to prevent serious industrial accidents, maintain and improve health, and develop a system to minimize the impacts of natural disasters.

In fiscal 2013, through cooperation with an external organization that specializes in building global-scale industrial accident information network systems and in mental health, we launched a training program to strengthen safety and health. We are also making continued efforts to prevent industrial accidents and their recurrence.

## For improvement of the work environment

Celebrating the 50th anniversary of the Yazaki Employee Labor Union on May 2013, the union and the company signed the Yazaki Group Labor-Management Joint Declaration in September 2013, and shared and reconfirmed basic concepts to make steady progress toward further development.

Meanwhile, the Labor Committee and the local Labor-Management Council hold meetings on a monthly basis to discuss various systems and confirm results of their activities. They particularly aim to improve the percentage of employees who take paid leave as part of efforts to “nurture a corporate culture that encourages the development of mentally and physically healthy people,” which consists part of the joint declaration. To enable individual employees to take leave when they need it, labor-management discussions have been held on allocation of appropriate personnel and standardization of workloads to improve related systems.

We will continue to promote activities for the improvement of the work environment group-wide while valuing the trust between labor and management.

## Support for risk management of employees working abroad

At the Yazaki Group, there are about 650 employees on loan to overseas subsidiaries in various locations of the world. To ensure that these employees and employees on overseas business trips can work comfortably by minimizing the risks of terrorism, riot, disaster, accident, disease, and others, the Risk Management Department of the General Affairs and Personnel Division collaborates with the risk manager of each overseas subsidiary. The division also shares information from overseas sites, as well as travel information from the Ministry of Foreign Affairs of Japan, with regional risk managers, and provides employees with information about overseas travel restriction and safety measures. In fiscal 2013, the division provided information on 16 issues shared them with employees on overseas business trips and on loan to overseas subsidiaries.

To secure the safety of our employees, we will make continued efforts to collect information from around the world and share it.

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

(FY)

System	Category	2009	2010	2011	2012	2013
Continuous childcare leave, etc,	Continuous childcare leave	67	98	100	76	128
	Short working hours <sup>*1</sup>	64	81	66	109	173
Nursing leave	Nursing leave	21	60	46	58	64
Continuous elderly care leave, etc.	Continuous elderly care leave	0	0	1	1	2
	Short working hours	0	0	1	2	1
Elderly care leave	Elderly care leave <sup>*2</sup>	—	1	1	2	1

<sup>\*1</sup> Period for short working hours for childcare was extended in March 2013 until the time of children's enrollment in elementary school.

<sup>\*2</sup> Elderly care leave system was established in 2010.

## Accident frequency rate/accident severity rate

(FY)

Item	Category	2009	2010	2011	2012	2013
Accident frequency rate <sup>*1</sup>	Average in the manufacturing industry	0.99	0.98	1.05	1.00	0.94
	Major 12 production sites in Japan	0.26	0.37	0.42	0.13	0.22
Accident severity rate <sup>*2</sup>	Average in the manufacturing industry	0.08	0.09	0.08	0.10	0.10
	Major 12 production sites in Japan	0.0070	0.0030	0.0020	0.0009	0.0068

<sup>\*1</sup> **Accident frequency rate:** The number of casualties due to industrial accidents per one million working hours. The rate refers to frequency of accident.  
Frequency rate = Number of casualties / Total working hours x 1,000,000 hours

<sup>\*2</sup> **Accident severity rate:** The number of work days lost due to accidents per 1,000 working hours. The rate represents the scale of accident.  
Severity rate = Number of work days lost / Total working hours x 1,000 hours



# Staying Close to People in Local Communities

We are working together with local communities for their vitalization.

## Commitments made in fiscal 2013

### Supporting activities of the Shizuoka Performing Arts Center (SPAC)

The Yazaki Group supports activities of the Shizuoka Performing Arts Center (SPAC) as one of its supporting members. SPAC is an organization established to promote the performing arts in Shizuoka Prefecture and help develop the prefecture's culture.

In March 2013, the Yazaki Group and SPAC collaborated to organize a Reading Café in Y-City in Susono City. Reading Café, in which participants read play scripts, is one of SPAC's most popular projects. As with last year's inaugural Reading Café, Mr. Akihito Okuno, an actor and member of SPAC, was invited to explain a popular epic in India, *the Mahabharata* and read it out together with 11 participants.



SPAC actor Okuno and participants

### Hosting the Shimizu S-Pulse sponsor match

As one of S-Pulse's eco-sponsors\*, the Yazaki Group sponsored a football game between Shimizu S-Pulse and Oita Trinita at the IAI Stadium Nihondaira in July 2013.

In conjunction with the game, we held a quiz event and set up an experience booth to introduce products that our recycling business is launching, as well as our solar thermal energy equipment. The sponsor match provided a great opportunity for us to



Appealing the value of our environmental initiatives to many supporters

communicate our environmental initiatives to about 15,000 football supporters.

### Tokyo Motor Show 2013

Yazaki exhibited at the Tokyo Motor Show 2013, which was held in November at Tokyo Big Site. Under the main theme of "CONNECT to the Future," we introduced Yazaki's technologies for "connecting car components," "connecting cars with people" and "connecting cars with life," all of which will contribute to the motorized society of the future.

Participation in the motor show, which boasted more than 900,000 visitors, provided Yazaki with an opportunity to publicize its technology to a vast audience of people and connect with them.



Yazaki's exhibition booth

### Providing a public foot bath at World Cultural Heritage site, Mt. Fuji

The Fuji Factory of Yazaki Energy System Corporation supports a volunteer organization, Mikuriya-no-kaze, in offering hospitality to hikers by supplying hot water to wash their hands and feet and refresh at the new fifth station of Mt. Fuji.

The Fuji Factory installed a solar-powered water heating system Yuwaita in July 2013 to supply hot water for a public foot bath. Although the foot bath is provided only during the hiking season, it heals people tired after climbing.



The public foot bath at the new fifth station of Mt. Fuji

### Serving as QC circle lead manager

The Yazaki Group has carried out QC circle activities for about half a century.

QC circle activities refer to small-group activities aimed at acquiring skills to solve problems in an orderly manner. We became one of lead managers for QC Circle Tokai Branch's Shizuoka Area in 1980, and have since organized training sessions and held classes at companies and organizations new to the circle to assist their QC circle activities.

In fiscal 2013, Yazaki Corporation organized seven training sessions, seven presentations, and 13 promoter meetings with the help of other companies as supporting members. Meanwhile, our employees qualified as leaders assisted QC activities at hospitals in Shizuoka Prefecture by practicing QC methods. Through these efforts, we are building positive relationships not only with other manufacturers but also with companies and organizations with which we have no business relationship.



Training session



Promoter meeting

### In harmony with the local community

In June 2013, Mt. Fuji was registered as a World Cultural Heritage site. In response, Gotemba City in Shizuoka Prefecture enforced a comprehensive landscape ordinance in April 2014 aimed at conserving Mt. Fuji's landscape and natural environment.

In compliance with the ordinance, Yazaki Energy System Corporation's Fuji Factory in Gotemba City, changed the design of its signboards, which it installed at three locations in the city. To harmonize with the landscape, the new signs feature green as a key color and as well as being smaller than specified in the ordinance we have installed them at a height lower than that designated. Yazaki Energy System Corporation became the first company in the city to comply with the new criteria.



Renewed corporate signboard design to harmonize with the landscape and nature

### TOPICS

#### Taking part in Eco Products 2013

Many visitors climbed Yazaki Fuji every day



The Yazaki Group participated in the Eco Products 2013 exhibition with an experience booth "Try Climbing Yazaki Fuji." Our booth allowed visitors to see and feel features of Yazaki's eco-friendly products, including "YAWARAKA" Wire and Cable, anti-slip coating, foamed paper cushioning ARO ECO, and security gravel. We gave wood pellets and ARO ECO cushions to visitors who succeeded in "climbing" the mountain.

Throughout the Eco Products period, Yazaki Fuji attracted not only children but also many adults, who enjoyed the experience.



## A Message from the Chairperson

## To Our Stakeholders

# Let's draw a bright future and talk about our dreams together

## Never forget where we started to live in these difficult times

In these times of rapid technological innovation, we need to respond to any and all changes regardless of conventional common sense. However, there must be things that will not change, or things that we should not change, in continuing our business activities.

Our Corporate Policy, "A Corporation in Step with the World" and "A Corporation Needed by Society," is the starting point of all business activities of the Yazaki Group.

In this message, Chairman Yazaki shares his vision of the future along with his aspirations.

### Business starts with understanding partners

The Yazaki Group is currently operates in 44 countries (as of June 2014). Its core product, wire harnesses, is primarily produced in emerging countries. In fiscal 2013, we established Yazaki Paraguay S.R.L. (YPY) in Paraguay, South America.

When I attended the opening ceremony of a YPY factory in April 2014, local guests told me about the 80-year history of Japanese immigrants there, praising the hard work and industriousness of Japanese people. I felt proud to be Japanese, and was at the same time overwhelmed by their expectations of our company.

That experience made me reaffirm that what is common and important in starting business in any country with different cultures and customs is to make all-out efforts to understand one another and do what is beneficial to the local community, besides fulfilling our responsibilities in terms of wages and working conditions; and to display a serious attitude and determination to respect all employees.

The Yazaki Group is supported by so many people all around the world, including employees, their families, people in local communities, and people who root for us. With deep appreciation for their support, I pledged that we will develop business with them and never betray them.

### Manufacturing is dependent upon human resource development

A wire harness is a labor-intensive product that requires the work of many people. Every individual taking part in the manufacture of harnesses must understand the purpose and meaning of his or her job and build mutually trusting relationships. "Manufacturing is dependent upon human resource development," and that implies something besides knowledge and skills.

For example, at one overseas site, the head of the factory greets employees with a smile and speaks to every one of them in front of the company cafeteria every day. I believe this is his way of developing human resources; that is the shape he gave to his considerations for employees. Doubtlessly, human resource development takes time before it produces certain results. But continued effort will build trusting relationships with employees. When relationships that facilitate mutual understanding are established, the relationships will strongly support the factory.

As represented in this instance, efforts toward human resource development must be made continuously and steadily, step by step. And we are committed to doing that.

There are other things that will create value only when continued. One of them is the Summer Camp program. We have provided the Summer Camp program for impressionable early teens for more than 30 years with the intention of offering opportunities to experience different cultures.

The Yazaki Group has valued the idea that a corporation is a social entity and must return what it gained in society to society to the greatest extent possible. This idea is reflected in our Corporate Policy. The Summer Camp program is one of





**Yasuhiko Yazaki**  
Chairperson, Yazaki Corporation



the activities we run based on the idea.

The program is also supported by young employees who voluntarily participate. Certainly I'm happy to see them make use of the experience to produce results in their work, but it must be more important for them to understand the idea of returning the favor to society.

I also want them to better understand the spirit of service, which doesn't want something in return, as they make utmost efforts to help children share a precious experience.

I believe our Summer Camp program is one form of human resource development and leads to the development of the next generation who can take action for the betterment of society.

### **Develop leaders who can talk about their dreams**

In any area, there are things that only those who have seriously taken on a challenge to fulfill their dreams know. Of course, working with serious challenge does not always make dreams come true. Some may suffer setbacks. But those who stay the course will achieve what they desire and dream of, regardless of its scale, and know how exciting it is to take on a challenge.

When such people talk about their dreams for the future, the whole audience brightens and is encouraged to give their dreams a try. That is the power of leaders. And such leaders attract excellent human resources.

In order to be a corporation that develops leaders who can talk about their dreams, we will continue to develop human resources from a wide range of perspectives.

### **Never forget the starting point**

Activities of the Yazaki Group are wide-ranging in terms of both country and region and areas of business.

Nonetheless, all activities share the fundamental spirit of contributing to society and local communities and expressing our thankfulness to people. In these dramatically changing times, we will make all-out efforts to make our company a place where people can talk about their dreams and nurture an open corporate culture with the Corporate Policy, the spirit of service, and a strong belief in a bright future.

Finally we regard this *Social & Environmental Report* as an important communication tool for acquiring your valuable feedback, and sincerely look forward to receiving your candid opinions and comments.

The Yazaki Global Environment Charter established by the Yazaki Group in 1997 clearly declares the Group's commitment to protect the environment and enrich society in the Environmental Policy and the Action Guidelines. We contribute to the realization of a sustainable society through our corporate activities as well as through the actions of individual employees.

# Global Environmental Initiatives

## Yazaki Group Corporate Policy

A Corporation in Step with the World  
A Corporation Needed by Society

## Fundamental Management Policy

Contribute to a prosperous future society through business focused on the environment and security. (The third principle of the policy)

## Yazaki Global Environment Charter

(Adopted in 1997; revised in 2002, 2006, and 2012)

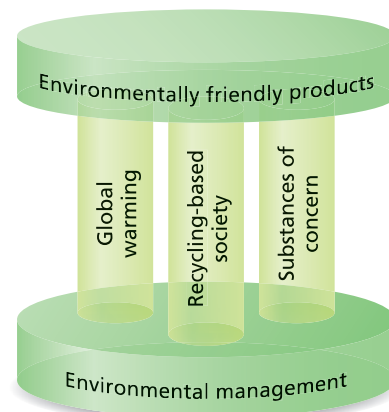
### Environmental Policy

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 at the production process and by 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. Reduce substances of concern  
Improve the management of environmentally hazardous substances in the products and the production process.
5. Develop environmentally friendly products  
Consider global warming, recycling, and substances of concern when developing products.

### Organization of the Action Guidelines





# For Improvement in Environmental Activities

Yazaki sets specific goals for each important environmental action every year to make progressive improvement in environmental performance.

## Evaluation of the results of fiscal 2013 and targets for fiscal 2014

Evaluation standard: ● = 100% achieved, ▲ = more than 90% and less than 100% achieved, ✕ = less than 90% achieved

Action item	Target state or value	Target achievement year	Results of fiscal 2013	Evaluation	Target for fiscal 2014
<b>Management of Chemicals</b>					
Response to Regulations in China	Response to China ELV*	2013	Verified the effectiveness of the management mechanism in China for five representative car types	●	Verify management status at suppliers
Chemical substances control for indirect materials and packaging materials	Develop a mechanism for the management of chemical substances in indirect materials and packaging materials	2014	Checked the management mechanism and the operation status at overseas sites	●	Check environmental compliance of indirect materials and packaging materials and check the operation status of the rules
Response to the REACH regulation and substances requiring authorization	Ensure compliance with revised REACH regulations and respond to customer requests	2014	Started delivery of alternative products that contain no phthalate (from February 2014)	●	Continue gradual switchover
Reduction of VOC (at sites)	1) Total emissions: 30% reduction by fiscal 2015 from fiscal 2000 2) Emissions per unit: 5% reduction by fiscal 2015 from fiscal 2010	2015	1) Total emissions: 37.4% reduction from fiscal 2000 2) Emissions per unit: 9.9% reduction from fiscal 2010	●	Total emissions: Maintain 30% reduction from fiscal 2000
<b>Prevention of Global Warming</b>					
Global CO <sub>2</sub> Reduction Activity	Reduce CO <sub>2</sub> emissions per unit by 20% from fiscal 2010 by fiscal 2020	2020	CO <sub>2</sub> per unit: 24.5% reduction from fiscal 2010 Effect of CO <sub>2</sub> reduction measures: About 6,000 t	●	Achieve 14% reduction in CO <sub>2</sub> per unit globally
<b>Promotion of Effective Resource Use for the Development of a Recycling-Based Society</b>					
Reduction of Waste	1) Promote reduction of waste in each region 2) Reduce waste by 10% from fiscal 2010 by fiscal 2020 at all sites in Japan	2020	1) Achieved the target in each region 2) In Japan: 11.0% reduction from fiscal 2010	●	Achieve the target in each region
<b>Development of Environmentally Friendly Products</b>					
Implementation of product life-cycle assessment (LCA)	Ensure that the company is capable of developing and designing products that are environmentally sound throughout their lifecycle	2014	Created Yazaki LCA tool and completed trials in the Automotive Sector	●	Operate the LCA tool across the R&D division
<b>Environmental Management</b>					
Environmental Communication	Ensure that each factory holds stakeholder meetings and continuously reflects feedback from the meetings in their operations	—	Published site reports and held stakeholder meetings at 12 sites	●	Continue to publish site reports and hold stakeholder meetings
Environmental Education	Ensure that environmental training is conducted according to the plan	—	Conducted technical training at each site/division	●	Continue technical training
Environmental Compliance	Ensure that a system is in place to identify and assure compliance with laws and regulations applicable to each site and that periodical compliance audits are conducted	2013	Globally conducted audits at 104 sites	●	Conduct audits on a regular basis in each region
	Ensure that a mechanism is in place to meet the legal requirements of each country and customer requests regarding chemical substances contained in products	2014	Reviewed the mechanism for compliance with the New Substance Notification Regulations (chemicals contained in raw materials) (to start operation in fiscal 2014)	▲	Operate the mechanism for compliance with the New Substance Notification Regulations (chemicals contained in raw materials)

\* China ELV: Regulations concerning the control of hazardous substances in vehicles and vehicle recoverability and recyclability



# Global Environmental Management System

Yazaki has developed environmental management systems at sites around the globe and promoted environmental activities group-wide.

## Global environmental management system

### To accomplish global challenges

The Yazaki Group manufactures and sells a variety of automotive parts and other products in 44 countries including Japan. We are carrying out activities to accomplish environmental conservation and other challenges to fulfil our corporate responsibilities by ensuring we meet the expectations and requests of stakeholders all over the world.

Every May, the Yazaki Group holds an annual Yazaki Environmental Committee chaired by the President to discuss the priority actions specified in the Yazaki Global Environment Charter and the direction of activities for globally common initiatives. With regard to the agenda discussed at the Yazaki Environmental Committee, the Global Conference on Environment (GCE), which is participated by regional environmental directors and regional environmental representatives, confirms proposals and ensures consistency.

Meanwhile, issues that each region works on are not limited to globally common initiatives. Each region decides details and targets of region-specific initiatives in consideration of local laws, cultures, and customs, as well as regional conditions, and carries out activities in a way that contributes to environmental conservation of areas surrounding its production sites.

### Promote activities in five geographic regions

In addressing important global environmental issues that require concerted efforts of the entire Group, such as compliance with local environmental laws, climate change mitigation, and management of chemical substances, we share issues and discuss how to respond to them at GCE and other meetings, and carry out activities through cooperation between regions.

In fiscal 2013, we held GCE twice (in August 2013 and April 2014). In January 2014, regional environmental representatives and other regional staff gathered in Japan to update their regional activities, share information, and discuss responses to issues.

To enhance information sharing on the progress of responses to issues, the status of achieving regional targets, and activities at each production site in each region, we divide our global operations into the five geographic regions of the Americas, Europe and Africa, China, Asia and Oceania, and Japan, and hold environmental committee meetings in each region. In fiscal 2013, the regional meetings were held as shown in the table below.

### Regional Environmental Committees



### Fiscal 2013 meeting dates of regional Environmental Committees

Region	Date
Europe & Africa	May 20–21, 2014
China	August 19, 2013
Asia & Oceania	August 21, 2013, May 30, 2014
Japan	May 19, 2014
Americas	July 23–24, 2013

## TOPICS ▶ Initiatives at YEL, Europe

### Information sharing and relationship enhancement between YEL and factories in Europe and Africa

Left: Awarding an excellent practice award; right: meeting participants



Together with factories in Europe and Africa, YEL holds an annual meeting on the environment, health and safety (European and African Environmental Committee) to provide an opportunity for communication, the sharing of policies of the Yazaki Group and the status of activities and practices at each site.

In May 2013, the meeting was held in Morocco with 30 participants. Every year, the meeting gives an award to an excellent practice selected out of activities reported by representatives from each site.

The award for excellence in fiscal 2013 went to an activity at YAP-P in Poland which aimed to reduce landfill by sorting cans and plastic bottles. The practice was awarded because it was directly connected to the Yazaki Group's policy and because it helped all employees renew their recognition of the fundamental fact that sorting is crucial in reducing waste.

YEL will continue to make improvement efforts through information sharing and communication.

## ● Environmental management system

### Developing systems and mechanism at each production site

Each production site works on environmental conservation by developing systems and mechanisms in accordance with ISO 14001, the international standard for environmental management systems. As of June 2014, 232 production sites held ISO 14001 certification.

Meanwhile, in fiscal 2013, we conducted audits at 45 sites in the Americas, 17 sites in Europe and Africa, 6 sites in Asia and Oceania, 5 sites in China, and 31 sites in Japan. The audit used a check sheet to conduct a detailed check of advance preparation for emergency procedures and communication systems in an emergency scenario, as well as the implementation status of daily management items.

To prevent the occurrence of problems, we will continue such audits while maintaining our environmental management system.

### Compliance with environmental laws and regulations related to products

With the globalization of the automotive industry, the Yazaki Group makes it a basic principle to comply with local environmental laws and regulations in each country in creating products that customers find attractive.

Yazaki's core product, wire harnesses, is composed of electric wires of various width, length and color and various connectors. For example, electric wires use different materials for different colors, so that Yazaki can check if every single material used for each color complies with local environmental laws and regulations. The same applies to other parts, such as connectors and electronic parts.

Based on information on raw materials used in wire harness parts, the Yazaki Group has developed a mechanism to check all parts' compliance with environmental laws and regulations in every process, from development to production. Currently, compliance is checked at divisions working on material development, parts development, product development, production factory, and procurement.

In fiscal 2013, we conducted an in-depth survey on environmental regulations in countries other than the EU, and reviewed our in-house system in relation to the New Substance Notification Regulations. To improve the reliability of the mechanism for compliance with environmental regulations, we will step up efforts to collect and analyze information relating to local laws and regulations.

## ● Environmental education

### Helping employees to think and act by themselves

Two types of training—company-wide education training and specialized environmental training—are provided according to our own internal education system.

The company-wide education training is provided to newly appointed employees at various levels and employees assigned to work overseas to deepen their understanding of the importance of tackling environmental issues and the Yazaki Group's environmental initiatives. In fiscal 2013, a total of 783 employees received the training. Employees who cannot participate in the company-wide education training due to childcare leave or other reasons are provided with materials for self-study so that all eligible employees can receive the training.

The specialized environmental training is targeted at employees responsible for or in charge of specialized environmental tasks to help them accomplish their tasks. In fiscal 2013, we provided training for chemical substance management staff, environmental legislation administrators and staff, and ISO 14001 internal auditors. A total of 1,868 employees received the training. We are committed to providing environmental training to develop employees who can think and act on their own.

### Number of employees who underwent environmental training (FY2013)

Category	Target	Times offered	Participants
Company-wide education training	New employees	1	156
	New fifth-grade employees	14	375
	New leaders	3	145
	Employees assigned overseas	8	107
	Sub-total	26	783
Specialized environmental training	Chemical substance management staff	11	191
	Environmental legislation administrators and staff	24 (sites)	1,635
	ISO 14001 internal auditors	4	42
	Sub-total	39	1,868
<b>Total</b>	<b>65</b>	<b>2,651</b>	



### Improving environmental knowledge and skills by workplace

At the Susono Factory in Susono City, Shizuoka Prefecture, necessary environmental knowledge and skills differ between workplaces and tasks. Therefore, in fiscal 2013, the factory appointed 33 staff in charge of on-site education as lecturers. The administration department developed lecturers for each workplace, and more than 200 employees in total received the training.

As the Japanese proverb goes, teaching is halfway to learning. Lecturers are having precious experiences that help them improve their environmental knowledge.



**Isao Komiyama, Safety Management Team, Administration Department, Susono Factory**





## Global Environmental Management System

### Promotion of the recycling business

#### Food recycling business

Okuetsu Parts Co., Ltd. established Agrilife Chuetsu as its food recycling division in Nagaoka City (former Tochio City), Niigata Prefecture in 2005. Agrilife manufacturers “Okara Super Yuki” (curd refuse super organic fertilizer) by mixing huge amounts of “okara” (soybean curd refuse) from food processing companies that make the local specialty, “Tochio-no-aburaage” (Tochio’s deep-fried bean curd) with waste vegetable and fish from local supermarkets, and fertilizing the mixture. By providing the organic fertilizer to local farmers, Agrilife contributes to the creation of a recycling-based society and revitalization of local community.

Meanwhile, Agrilife cultivates rice using the organic fertilizer and sells the rice under the brand name “Tochiko Hikari,” with the goal of establishing a cycle of local production for local consumption.

#### Production process of the organic fertilizer Okara Super Yuki

##### 1 Preliminary processing

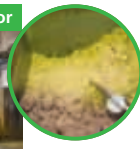
- ▼ Mix the raw materials delivered with rice bran, and put the mixture into a fermentation processor. Beat the mixture while heating for 24 hours to reduce water content to about 60%, which is appropriate for fermentation.



Raw materials



Fermentation processor



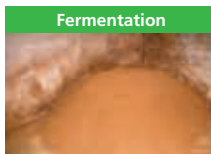
Inside the fermentation processor

##### 2 Secondary processing

- ▼ Transfer the mixture to the fermentation yard for a nine-day fermentation process.



Fermentation yard



Fermentation

##### 3 Molding to pellets and packaging

Add water to the mixture, beat it, and mold it into pellets by using a molder. Dry heat for 24 hours until water content reduced to 5–8%. Pack pellets in 15 kg lots for shipping (shipping volume per year is 100 tons).



Molding into pellets



Final products

### Conservation of biodiversity

We engage in various activities to protect the environment and ecosystems in local communities in collaboration with stakeholders.

#### Forest development with local community

Since fiscal 2005, we have been working on a woody biomass community circulation model project in Yusuhara Town, Kochi Prefecture in partnership with the town and a local forestry cooperative to promote the use of wood pellets and help conserve forests through local production for local consumption.

In April 2014, 76 Yazaki Group employees joined the ninth Volunteer Forest Development event held in the Yazaki Forest in Yusuhara Town. As it rained on the event day, thinning work was cancelled, and only the Gathering of Forest Volunteers sponsored by the town was held. The many positive comments received from the participants included: “Although I couldn’t do any thinning, I



Gathering of Forest Volunteers

was happy to have the chance to learn about Yusuhara Town,” and “It’s unfortunate that I couldn’t see the Yazaki Forest. I will join next year, too.”

#### Initiatives at Y-Town Gotemba

Y-Town Gotemba in Gotemba City, Shizuoka Prefecture is a complex of welfare facilities, comprising company housing and dormitories that focus on the relationship between nature, community and people.

Yazaki re-developed the land of the Gotemba Factory, previously a wire harness production site, into a place that tests town development for the future. Under the key theme of “restoring the natural environment,” the re-development project aims to be environmentally friendly by using Yazaki’s solar thermal energy equipment and air-conditioning equipment. To help develop forest in harmony with the local landscape in the future, Yazaki has planted tree species native to the area and created a landscaping pond.



Mt. Fuji reflected upside-down on the pond

Yazaki has also created a biotope in the premises in consideration of the biological environment.



# Initiatives to Prevent Degradation of the Global Environment

We are endeavoring to achieve proper management of substances of concern (SOCs) to meet customer requests in full compliance with related laws and regulations.

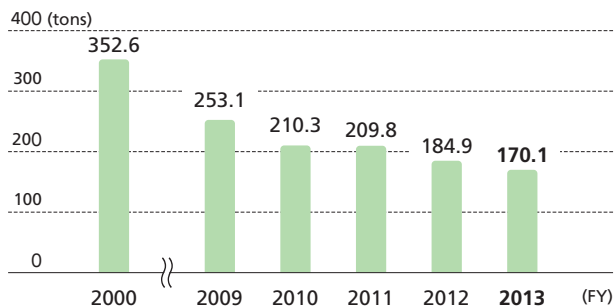
## ● Reduction and management of chemical substances at each site

### Reducing VOCs

The Yazaki Group in Japan is committed to reducing emissions of suspended particle matter, which can cause air pollution, and volatile organic compounds (VOCs), which can cause the generation of photochemical oxidants. Our target is to reduce their emissions per unit by 5% from the fiscal 2010 level by fiscal 2015.

In fiscal 2013, we achieved a 9.9% reduction in emissions per unit from the fiscal 2010 level by changing the application method of the damp-proofing agent containing VOCs. We will continue to make reduction measures.

#### VOC emissions



### Proper treatment of polychlorinated biphenyl (PCB) waste

The Yazaki Group in Japan is proceeding with detoxification of PCB\* waste, while holding and managing them properly, in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. A qualified specially controlled industrial waste manager is assigned to each location where PCB waste is stored, and it is ensured that the storage site is locked, inspected regularly, and equipped with anti-seismic devices to prevent any loss, damage, or leakage.

In fiscal 2013, we outsourced detoxification of PCB waste for a total of 67 units of transformers and condensers, and confirmed completion of the detoxification. We will continue to process PCB waste in a systemic manner.



Delivery of PCB waste

## ● Checks for specified chemical substances in products

### In-house measurement system for specified chemical substances

Since fiscal 2005, the Yazaki Group has put in place a measurement system to check if lead, cadmium, mercury, hexavalent chromium, and specified brominated flame retardants (PBB and PBDE), which are regulated by the ELV Directive, the RoHS Directive and other laws, are contained in products.

In fiscal 2013, we conducted round-robin tests using 26 units of XRF analyzers at 22 sites in Japan. The round-robin method measures the same specimen using multiple equipment at multiple locations to verify the reliability of the measurers' skills, the measurement method and measurement equipment. As a result of this testing process, we confirmed that there was no problem in the measurement equipment, measurement method and measurers' skills. The testing also allowed us to understand the conditions needed for a standard sample for calibration of measurement equipment, and confirm the effectiveness of our in-house management mechanism.

#### TOPICS ▶ Initiative at YCIC, China

### Checking for the effectiveness of its mechanism for managing substances of concern

Environmental staff at YCIC



China is developing various laws in accordance with the Automobile Recycling Use Technical Policy, which was announced in February 2006. Like the EU, China will restrict the use of lead, mercury, cadmium, hexavalent chromium and specified brominated flame retardants (PBB and PBDE) under laws concerning vehicle disposal.

In order to prevent the use of to-be-restricted substances in automotive parts, YCIC has clarified the roles of its divisions in China and developed a mechanism for management of substances of concern.

To re-confirm the effectiveness of the already-developed mechanism, under the leadership of six environmental staff, YCIC confirmed in fiscal 2013 that lead, mercury and other substances of concern were not contained in any component, including wire harness and meters.

With regard to the problems and issues identified through the reconfirmation process, YCIC reviewed the mechanism in cooperation with related divisions.

\* Polychlorinated biphenyl (PCB): A type of organochlorine compounds, the production and import of which are prohibited due to their toxicity. Companies that store PCB waste are required by law to detoxify them by March 31, 2027.



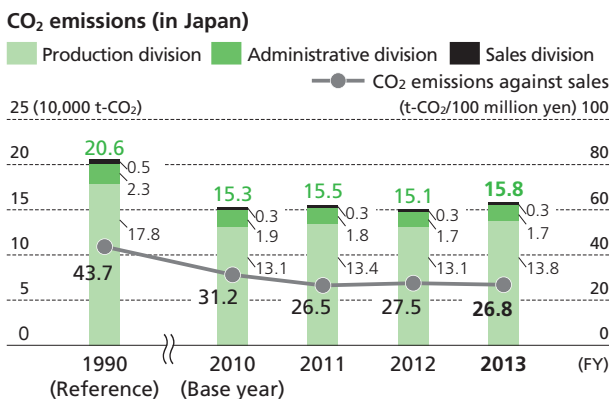
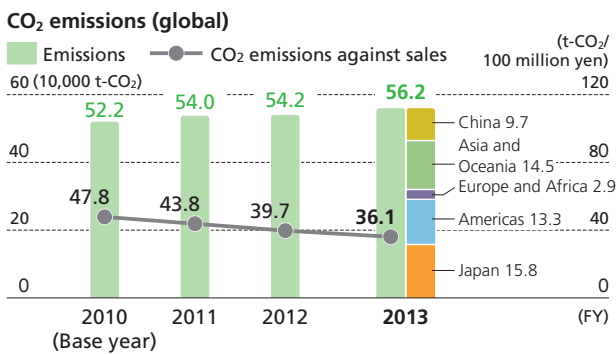
# Initiatives for Creating a Low-carbon Society

We are striving to devise various measures to reduce CO<sub>2</sub> emissions during production, transportation, and other operations to achieve our reduction targets.

## Reduction of CO<sub>2</sub> emissions at business locations

The Yazaki Group has set the target of reducing the CO<sub>2</sub> emissions per unit by 20% globally from the fiscal 2010 level by fiscal 2020. In fiscal 2013, we succeeded in reducing CO<sub>2</sub> emissions globally by about 6,000 tons with CO<sub>2</sub> reduction measures such as using LED lighting and improving the thermal conductivity of the copper furnace. Consequently, CO<sub>2</sub> emissions against sales in fiscal 2013 were 36.1 t-CO<sub>2</sub>/100 million yen, down 24.5% from fiscal 2010. As for the Yazaki Group in Japan, CO<sub>2</sub> emissions against sales in fiscal 2013 were 26.8 t-CO<sub>2</sub>/100 million yen, down 14.1% from fiscal 2010.

Some of our products, such as digital tachographs and the Bio-Aroace wood pellet-fired absorption chiller-heater, increase our contribution to CO<sub>2</sub> emissions reduction. These products contributed to reducing 52,000 tons of CO<sub>2</sub> emissions in fiscal 2013. One example is the adoption of our water heater "EcoCute Solar Heat," which integrates solar thermal energy system and EcoCute (an energy efficient electric water heating and supply system), by the U.S. Marine Corps Air Station Iwakuni for family housing. It is expected to reduce CO<sub>2</sub> emissions by 44 tons per year. Since fiscal 2011, CO<sub>2</sub> emissions have been reduced by a total 137,000 tons.



## Promotion of green logistics

Due to shortened transportation distances and increased load factor per truck after the location of logistics centers were reviewed, CO<sub>2</sub> emissions from logistics in fiscal 2013 were 20,000 tons, up 5.7% or 1,048 tons from the previous year. CO<sub>2</sub> emissions per ton-kilometer were 139.8 g-CO<sub>2</sub>/ton-kilometer.

Yazaki Parts Co., Ltd. and Yazaki Energy System Corporation (a company integrating former Yazaki Electric Wire Co., Ltd. and the living environment equipment sector of Yazaki Corporation), who are "Specified Consigners" under the Act on the Rational Use of Energy, are working on the improvement of logistics efficiency in order to meet the government's guideline of reducing the energy consumption per unit for transportation by 1% compared with the previous year.

In fiscal 2013, energy consumption per unit for transportation decreased at Yazaki Parts Co., Ltd. by 4.4% and increased by 6.9% at Yazaki Energy System Corporation, both on a year-on-year basis. We will continue to proactively improve transportation efficiency by integrating long-distance transportation and changing delivery centers.

### TOPICS

#### Received Shizuoka Prefecture Governor Award for Global Warming Prevention

The Monozukuri Center office building



The Monozukuri Center in Makinohara City, Shizuoka Prefecture has installed Yazaki's wood pellet-fired absorption chiller-heater, a solar thermal energy water supply system and photovoltaic panels. Additionally, it has adopted a system to fine-control lighting by zone and highly efficient air-conditioning equipment. In appreciation of CO<sub>2</sub> reduction achieved through these efforts, the center was awarded the highest rating mark—an S-rank—by CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Shizuoka.

Meanwhile, the center added three more commuting bus services from the nearby railway station for its employees to curb the increasing number of car commuters. In recognition of these efforts, the center received a Shizuoka Prefecture Governor's Award for Global Warming Prevention during Fiscal 2014 Environmental Awareness Month Shizuoka Prefecture Residents Convention held in June 2014.

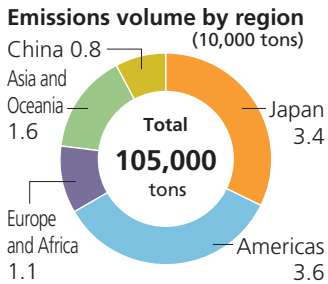


# Initiatives to Create a Recycling-based Society

Contributing to helping create a recycling-based society by promoting zero landfill and recycling used products.

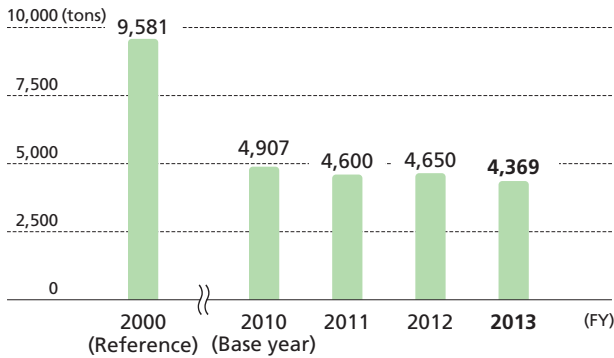
## Reduction of emissions

The total volume of emissions in fiscal 2013 was 105,000 tons on the global basis. We will step up reduction activities by taking into account the circumstances of each region. The Yazaki Group in Japan achieved the target of zero landfill waste<sup>†</sup> in fiscal 2013 as well. The volume of waste was 4,369 tons, down 11.0% from the base year.



<sup>†</sup>Zero landfill waste: The state in which the total amount of industrial waste (not including general waste) disposed to landfill is zero (as defined by the Yazaki Group)

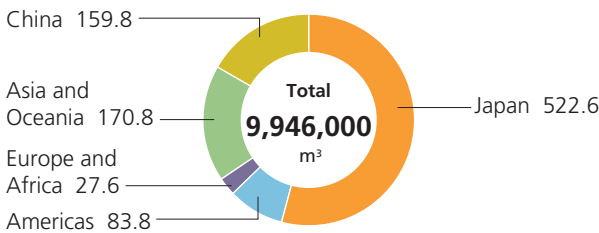
## Volume of waste in Japan



## Reduction of water consumption

Our global water consumption in fiscal 2013 was 9.946 million m<sup>3</sup>. We are using rainwater and recycling cooling water.

### Water consumption by region (10,000 m<sup>3</sup>)



## Recycling of used products



Dismantling collected Aroace

To promote recycling of used products, we have established a process of collecting and recycling Aroace and other air-conditioning equipment and solar thermal hot water systems by utilizing the government's wide-area

certification system. Components of collected Aroace are reused or recycled at the Hamamatsu Factory. The recycling rates of steel plates, copper pipes, and absorbent solutions, among others, are more than 90%.

In the electric wire division, Iwao Industry Co., Ltd. undertakes the recycling of used cables and scrap cables generated during production process. Yawara Co., Ltd. collects end-of-life wooden electric wire spools and repairs and repaints them for reuse as electric wire spools. Spools that cannot be repaired are processed into woodchips by an outside company for effective use of resources.

## TOPICS ▶ Initiative at Tenryu Factory

### Through management of wastewater quality



Analyzing wastewater

The Tenryu Factory in Hamamatsu City, Shizuoka Prefecture sets forth the frequency of measurement for each wastewater management item, and performs analysis on a regular basis. Fiscal 2013 water quality analysis revealed that wastewater was below the value regulated by law and the voluntary value in all items. To reduce the risk of water pollution from leaked oil, the factory adopts compressors that use less oil when replacing compressors in the factory.





# Contribution to Reducing the Environmental Impact of Customers and Society

We are promoting environmentally friendly design across our R&D division according to our own eco-design criteria.

## Promotion of environmentally friendly design

### Setting our own environmentally friendly design criteria

The Yazaki Group has been working across the R&D division to reduce environmental impact and add more value to its products as early as the design stage by formulating its own criteria for environmentally friendly design. In fiscal 2013, we certified 49 products as eco-friendly products based on our environmentally friendly design criteria.

This section introduces some of the environmentally friendly products developed or released in fiscal 2013.

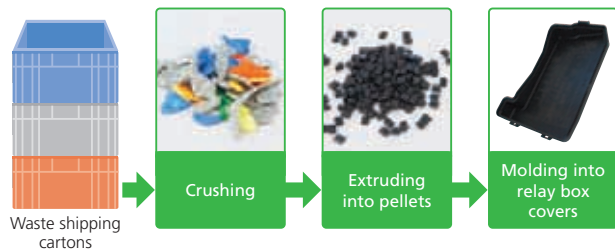
## Major environmentally friendly products in fiscal 2013

### Automotive equipment

#### Recycling resin from waste shipping cartons

With the growing interest in eco-friendly products in recent years, we launched the development of resin recycled from automotive resin parts in 2010. In fiscal 2013, we developed a resin material by recycling waste shipping cartons (made of polypropylene) from factories, and succeeded in the mass production of a relay box upper cover using the new material. With the cooperation of suppliers, we are satisfying environmental regulations and quality requirements as well as contributing to the effective use of resources.

#### Process of recycling waste shipping cartons



#### Smaller and lighter connectors

The more terminals a connector has, the greater power it requires for connection because of friction between terminals. Therefore, conventional connectors are equipped with a lever so that they can be connected without using a tool, but the addition of a lever makes connectors larger. We developed connectors that use terminals that have less friction so that they can be easily connected without a lever. By eliminating levers, we succeeded in making the new connectors smaller and lighter than conventional connectors by about 50% and 30%, respectively and reducing CO<sub>2</sub> emissions from manufacturing by about 40%.

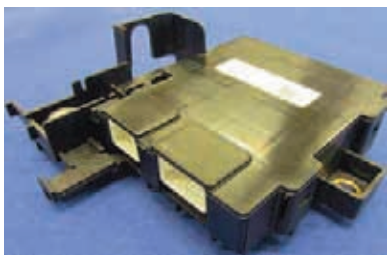


Upper: New connectors

Lower: Conventional connectors

#### Lithium-ion battery control unit

Lithium-ion batteries have a longer life than lead batteries, and are a promising alternative to vehicle batteries. However, because of their higher energy density, they require detection of voltage, current and temperature with higher accuracy to prevent abnormal heat generation from a short circuit or other abnormal conditions. In fiscal 2013, we developed a lithium-ion battery control unit equipped with highly accurate detection technology. The control unit allows replacement of lead batteries with lithium-ion batteries. Their high charge and discharge efficiency allows collection of energy generated when the vehicle slows, which contributes to improved fuel efficiency.



#### High voltage service plug

High voltage parts are indispensable to electric vehicles and hybrid vehicles that are powered by electricity. At the time of maintenance of these vehicles' power supply, maintenance engineers' safety must be secured. To that end, we developed a high voltage service plug that has a two-lock structure, which creates a time lag in the connection and disconnection of the power supply to prevent engineers from suffering electric shock. As our new service plug uses fewer and thinner parts, it achieves an approximately 50% reduction in weight compared with conventional plugs, as well as reduction of materials used.



#### Electric wires, instrumentation, gas equipment, and environmental systems

#### Standard AC charger for EVs and PHVs: "iesta"

Our standard AC charger for electric vehicles and plug-in hybrid vehicles is designed to integrate the charging connector and the cable. As we downsized the connector by about 20% from the conventional products, the new charger as a whole is thinner, and can be easily installed in a narrow space, such as a multistory parking lot and car port. The downsizing of the connector not only contributes to effective resource use, but also resulted in the design that is friendly to women and elderly people whose hands are smaller.



#### Eco-wire "EM-IC"

Featuring a soft and easy-to-form conductor, the "YAWARAKA" Wire and Cable series excels in workability. By taking advantage of the feature, we developed a flame-retardant cross-linked polyethylene insulated wire (EM-IC) for in-board wiring in fiscal 2013. With the compression of a conductor and the use of a very soft flame-retardant insulator, the EM-IC is smaller in diameter than conventional polyvinyl chloride insulated wire (IV) by about 10%. As the amount of electric current that IV of a certain size can carry can be carried by EM-IC of a thinner size, EM-IC allows wiring using thinner cables, which improves workability and contributes to effective use of resources.





# For Conservation of the Local Environment

We conduct a variety of activities aimed at raising employees' environmental awareness and promote local environmental conservation in each region.

## ● Activities at overseas business sites

### Using rainwater to raise awareness of water conservation

YES in Samoa has installed a large water tank to store rainwater. YES employees use stored rainwater to wash their hands and feet before starting work to keep the inside of the factory clean. Use of rainwater helps individual employees recognize the importance of water and raises their awareness of saving water in Samoa, where water shortages in the dry season pose a serious problem.



An employee washing his hands with rainwater

### Raising children's environmental awareness

To help children become environmentally conscious and act on their own initiative, ARC in Mexico visited a local public school in October 2013. With the participation of 45 ARC employees, 1,250 children enjoyed games and quizzes on the environment, and also took part in tree planting.

### Planting seedlings for the future

YN in Nicaragua holds an annual tree planting event in cooperation with the City of León, where the company is located. In May 2013, 30 YN employees visited Arlen Siu Park's seeds and seedlings section, and transplanted 1,500 seedlings of mango, avocado and other tree species, which will be used for future tree planting events. YN will continue these activities to help conserve the global environment.



Planting trees with locals

### Educating children as the future generation

Since 2007, members of the environmental conservation team at the YBL-T factory in Brazil has provided an education program, "Teaching for a better world," for children aged between 6 and 9. To date, more than 8,000 children have learned about environmental issues, including conservation of animals and plants and effective use of natural resources.



Teaching children

### Reaffirming the importance of water resources and improving awareness of water conservation

In support of the ongoing five water improvement activities\* across China, HZY in China works on the conservation of water resources.

Members of the environmental conservation workgroup at the HZY factory took the lead in putting up posters recommending water savings on walls in toilets, the cafeteria and other rooms before the start of the national water conservation week in May. Through this activity, employees of the factory as a whole reaffirmed the importance of limited water resources and improved their awareness of the need for water savings.



Activity for national water conservation week

\* Five water improvement activities: Improvement activities focusing on the following five points: (1) quality of polluted public water; (2) measures to prevent flooding; (3) measures to prevent road flooding; (4) water quality and water volume at water sources; and (5) water consumption (water saving)

## Third-Party Comments



Prof. Satoshi Chikami Dean of the Graduate School of International Social Development, Nihon Fukushi University

Standing Board member of the Executive Committee, the Nagoya Open University of the Environment  
Chairman of the Operation Council, Environmental Partnership Office Chubu, Ministry of the Environment

**[Research focus]** Regional environmental planning, environment study, education for sustainable development (ESD), etc. Prof. Chikami specializes in empirical studies regarding how to advance sustainable development through the integration of natural and social science approaches. In Japan, he supports regional development involving the participation of citizens as well as community planning based on collaboration between residents, corporations, and local and central governments. In foreign countries, particularly in developing countries in Asia, he conducts research and study on the development of sustainable communities by attaching importance to the fieldwork approach.

**As with last year's report, the 2014 report concisely reports efforts made globally throughout the Yazaki Group to contribute to the creation of a sustainable society and the conservation of the global environment through cooperation with various stakeholders under the strong initiative and policies of top management.**

### ■ The Corporate Policy is firmly rooted

This year's report makes it clear again that the Corporate Policy—"A Corporation in Step with the World" and "A Corporation Needed by Society"—is firmly rooted across a wide range of business activities, including new business.

In his message (pages 7–8), President Yazaki states that, throughout the processes from gaining deep understanding of customers' demands and needs and putting them into shape as products, Yazaki would enhance cooperation between related divisions. As the organization is further revitalized and individual employees increase their awareness to achieve the Corporate Policy, it will become possible to make quick and proper responses to changing needs and ensure global compliance throughout the Group.

### ■ New business launch with the keyword of "connecting"

The Special Feature titled "The Yazaki Group's New Business" (pages 9–12) embodies the Corporate Policy. The concept of "connecting for the future of the local community" represents Yazaki's commitment to launching business needed to address local issues, bearing in mind the starting point—that any company can function to its fullest in the local community and exists together with the community. The three areas of environmental recycling, nursing care and agriculture are crucial issues that Japan must face up-front. Starting up new business may involve difficulties in profitability, but I hope that Yazaki will keep working to this end to utilize local human and other resources effectively and improve local value.

### ■ Progress in BCP development within the automotive sector

BCP development at the automotive sector has reached the stage of verifying effectiveness with a tabletop exercise in fiscal 2013 (page 15). In the event of a disaster, humanitarian support is undoubtedly the first priority. Resuming production as early as possible under such a situation is also an important responsibility

that a company must fulfil for society. I am looking forward to seeing the Yazaki Group proactively contributing to BCP of the entire supply chain.

### ■ Steady progress of environmental initiatives

It is noteworthy that Yazaki maintained or exceeded the 100% achievement rate in almost all focus items in the environmental initiative plan (page 26). As local regulations on chemical substance management differ between countries and the regulations could be strengthened any time, it is indispensable to promote environmental management globally. Yazaki has made clear and steady progress in responding to the China ELV and addition of substances regulated under the REACH regulation, and developing and operating an LCA tool. Meanwhile, with regard to the reduction target of CO<sub>2</sub> emissions per unit by fiscal 2020, Yazaki has already achieved the target with a 24.5% reduction in fiscal 2013, which is worthy of praise. I strongly expect Yazaki to enhance its global environmental management system by using the Yazaki Environmental Committees and the Global Conference on the Environment.

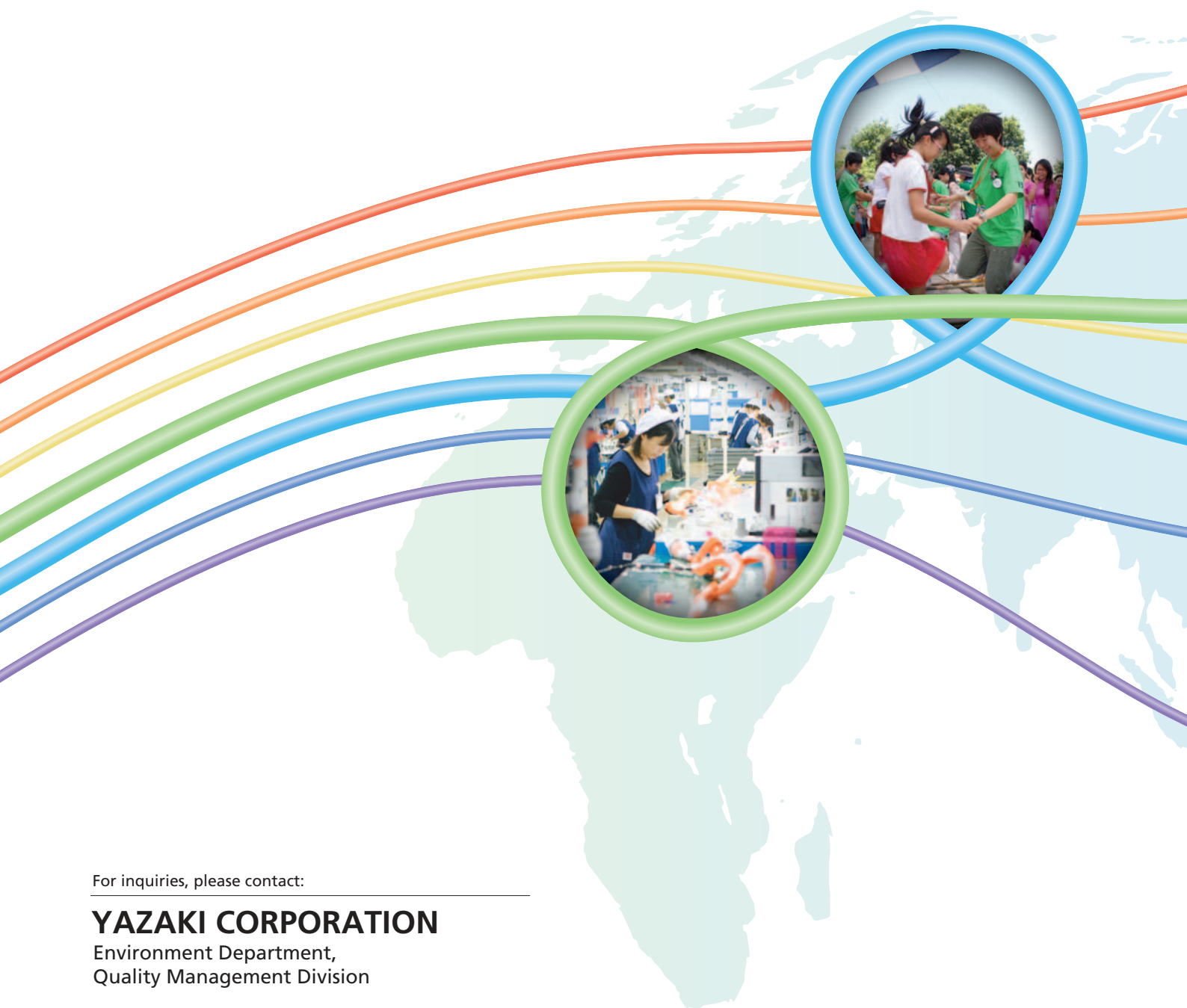
### ■ Consistent in human resource development

Chairperson Yazaki declares that manufacturing is dependent upon human resource development (pages 23–24). It is praiseworthy that Yazaki's commitment to developing people is consistent in various activities and phases, including developing leaders and engineers at production sites, providing environmental education in each workplace, maintaining and enhancing communication between management and employees, and supporting children through the Summer Camp program. The report also introduces the adoption of the new personnel system that rewards employees who work hard and initiatives to improve mental and physical health, which are designed to employ diverse human resources and make use of employees' capabilities (pages 18–19). I strongly hope that, with the spirit of service as Yazaki's DNA, Yazaki will maintain its vital organization where all employees can demonstrate their abilities, transcending nationality, culture and custom.

## Conclusion

I am looking forward to seeing the Yazaki Group—a global corporate group with more than 250,000 employees at more than 440 locations around the world—continuing to address global and local issues through its economic activities and create values that it shares with local communities.





For inquiries, please contact:

---

## **YAZAKI CORPORATION**

Environment Department,  
Quality Management Division

Mishuku 1500, Susono City, Shizuoka Prefecture  
410-1194 Japan

TEL: +81-55-965-3782 FAX: +81-55-965-3736

Published: September 2014

The next report is scheduled for publication in autumn 2015.

**URL:** <http://www.yazaki-group.com/global/>

**E-mail:** [smb-environment@jp.yazaki.com](mailto:smb-environment@jp.yazaki.com)