





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.
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Report Outline

Editorial policy

The Yazaki Group first published the Social & Environmental Report in fiscal 2002 to disclose information on corporate activities, to achieve the sustainable society, and enlighten employees. From this 2017 edition, we changed the title to CSR Report and delivered more reports on our social activities.

In this report, we will describe our year-round efforts and the results about the activities carried out based on the CSR policy that evolves around our five stakeholders: customers, business partners, employees, local communities, and the environment.

We hope this report would contribute to a better understanding of the Yazaki Group's activities.

Please visit our website

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

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

● Reporting period

Fiscal year 2016 (June 21, 2016 to June 20, 2017)

● Organizations covered

Yazaki Corporation and consolidated companies in Japan and overseas

● Guidelines consulted

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan

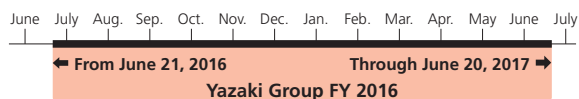
● Reader response questionnaire

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:



● Indication of organization responsible for each activity

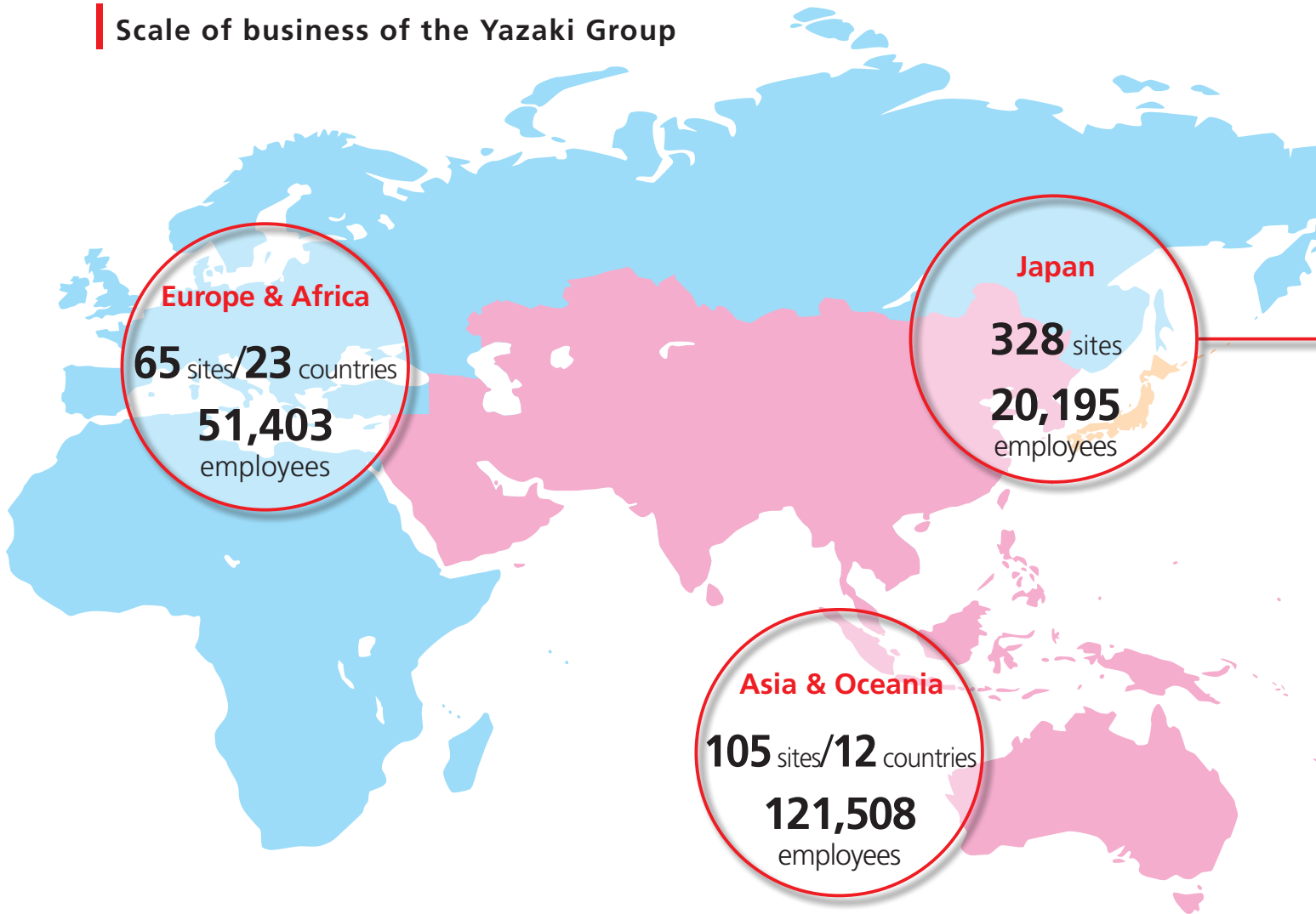
Yazaki Corporation and consolidated companies in Japan and overseas are referred to as the Yazaki Group. As for activities conducted by other organizations, the responsible organization is specified in each instance.

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Contributing to Global Communities through a Variety of Businesses

Scale of business of the Yazaki Group



Company Overview (As of June 20, 2017)

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

Major Yazaki Group companies in Japan: Yazaki Meter Co., Ltd. (established in 1950)
 Yazaki Parts Co., Ltd. (established in 1959)
 Yazaki Energy System Corporation*1

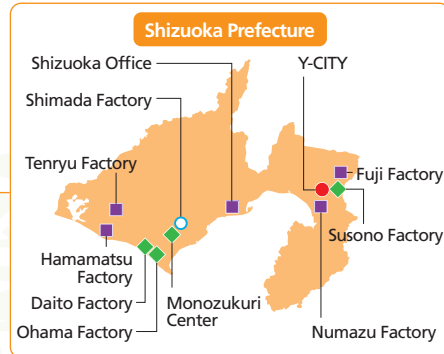
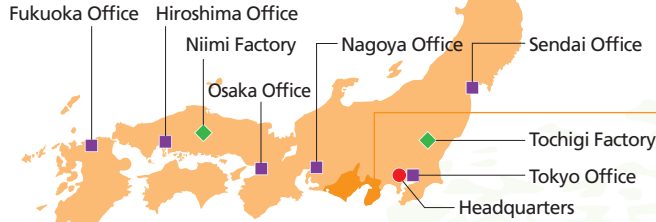
Number of Yazaki Group companies*2: Group companies in Japan: 65
 Overseas Group companies: 100
 Public interest incorporated foundation: 1
 166 in total

Number of employees*2: Employees in Japan: 20,195
 Overseas employees: 265,605
 285,800 in total

*1 Established as Yazaki Electric Wire Co., Ltd., in 1963 and changed its name in 2012.
 *2 Including unconsolidated subsidiaries and affiliated companies

Main factories and offices in Japan

- Yazaki Corporation ◆ Yazaki Parts Co., Ltd.
- Yazaki Meter Co., Ltd. ■ Yazaki Energy System Corporation



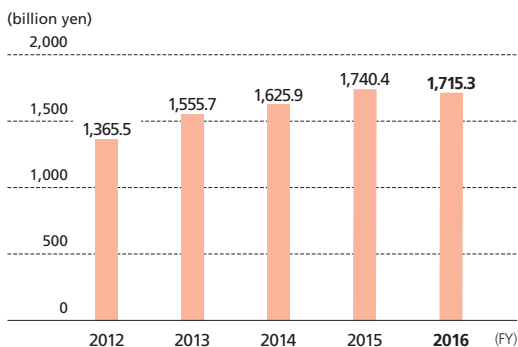
Americas

121 sites/10 countries

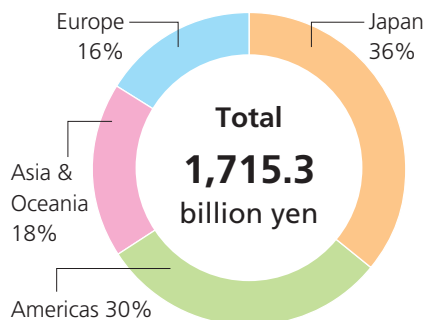
92,694 employees

* We change the method to count a total number of sites since fiscal 2016.

Net sales (consolidated)



Breakdown of net sales by region



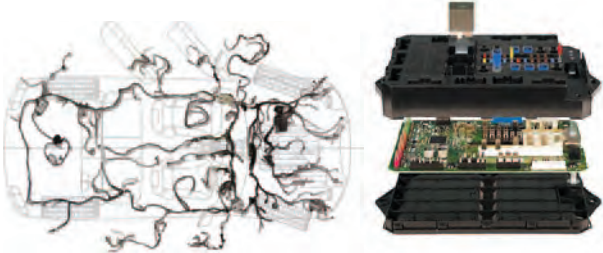
Supporting People's Safe and Eco-friendly Life

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 / Electronic equipment

A wire harness is an assembly of wires that transmits electrical power and signals to electronic equipment of a vehicle.



Wire harnesses

Smart J/B

2 Meters

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



Graphic meter

4 In-vehicle safety & service systems

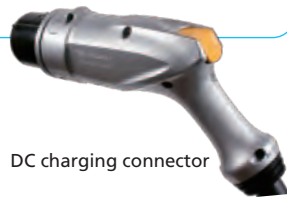
As a specialized manufacturer of automotive equipment that supports safe and eco-friendly driving, we are contributing to traffic accident prevention and environmental conservation.



Taximeter adaptable to wireless LAN
Arofriend 27

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



DTG7 Digital tachograph

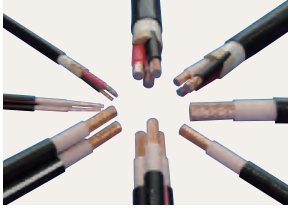


For Daily Lives

We supply energy that is the basis of our lives, such as electricity, gas, and solar heat, and provide a variety of products that support our daily lives. We also support safe and comfortable living through our power transmission cables and gas equipment.

5 Electric wires

We provide lead-free general cables, environmentally friendly ecology cables, and halogen-free cables. We acquired Eco Leaf environmental label before the rest of the industry.



Yawaraka cable 600 V lineup

6 Gas equipment

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



Arocco
LP gas alarm

U-smart
Ultrasonic
gas meter

7 Solar equipment

Through the longtime accumulation of solar heating technology, we provide solar heating products for household and professional use.



Eco solar type II
Solar water heating system

8 Air-conditioning equipment

We provide environmentally friendly air-conditioning systems, such as absorption chiller-heaters that leverage exhaust heat and renewable energy.



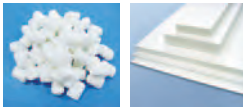
Bio-aroace
Wood pellet-fired absorption
chiller-heater

For Communities

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

9 Environment & Recycling

Paper cushioning that is recycled from cutting waste produced in a printing process and used paper can be incinerated as flammable waste or recycled after use.



Aroeco
Paper cushioning
recycled from cutting
wastage and used
paper

10 Nursing Care

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



Care Center
Kamifusen
(Susono City,
Shizuoka)

11 Agriculture

We engage in community-based agribusiness. We produce agricultural machinery and rent farmland to grow vegetables and rice unique to the local.



Arrow Farm
Oita



Keep rising to the the future without



I wish to take this opportunity to express my deepest gratitude for the extensive support and cooperation we receive daily for the activities of the Yazaki Group. We will continue our business in accordance with the coherent desire to contribute to society through manufacturing that is consistent with our corporate policy, compelling us to become "A Corporation in Step with the World" and "A Corporation Needed by Society".

This report outlines the concepts and policies that inform our robust approach to addressing drastic changes that we face in surrounding environment.

Shinji Yazaki
President, Yazaki Corporation

Looking back on fiscal 2016

Despite increased sales to domestic and overseas automotive manufacturers consolidated net sales in fiscal 2016 declined on a year-on-year basis by 1.4 percent to 1,715.3 billion yen because of the rising yen. At the same time, we managed to secure net operating profit owing to our cost reduction efforts. Once again, I would like to express my sincere appreciation to all stakeholders whose support for the Yazaki Group made this possible.

In fiscal 2016, we engaged in the proactive expansion of production as a way to secure a firm foothold, which allowed us to quickly adapt to the drastically changing business environment surrounding the Yazaki Group, and to respond effectively and flexibly to the customers' needs. In addition to opening a new site in Mexico, we expanded and restructured a total of seven different sites: two in Nicaragua and one in each of five other countries—Vietnam, El Salvador, Mexico, Morocco, and Romania.

At the same time, we focused on various future-oriented initiatives. These days, groundbreaking technological innovations in different fields are revolutionizing the structure of industries, and the automotive sector is not an exception. The pace of restructuring and consolidation among manufacturers is accelerating, and increasing number of initiatives in the field of sustainable mobility focus on environmental performance and safety. We see that many IT companies form partnerships with carmakers for the development of technologies for autonomous vehicles. In order to accommodate these changes, we established Yazaki Innovations, Inc., in Silicon Valley (USA) in June 2016 to gather information on the Internet of Things (IoT), artificial intelligence (AI), and other emerging technologies. We have set up a business office in Arizona to proactively expand our business in the automotive industry on the West Coast of the United States. Through this site we actively offer the automotive parts and proprietary technologies of the Yazaki Group to startups that receive global attention these days, and participate in joint development of autoparts for next-generation vehicles. Designed to promote

challenges: looking 50 years into forgetting our origins

innovation, these initiatives are expected not only to give the Yazaki Group a considerable competitive edge down the line, but contribute to solving social problems and achieving smart and inclusive growth.

For fiscal 2017

– Returning to our origins as a manufacturing company –

In fiscal 2017, we will continue the initiatives started last year and reinforce the foundation of the Yazaki Group, with "GEN"(source) as the main president's policy, while looking 50 years into the future. Let us revisit the purpose and goals of our business, and return to our origins as a manufacturing company.

In the automotive parts business, we will reinforce our production system and management functions, promote active development and offerings to the customers by leveraging our competitive strengths, fortify internal linkages, and reinforce true competitiveness in order to achieve sustainable growth. The present represents an opportunity for us to take one or two steps forward in our industry. We will continue rising to the challenges and seizing new opportunities.

In our living environment equipment business, we will harness the unique qualities and strengths of the Yazaki Group to continue expanding our new energy-based business operations and existing businesses overseas, and focus on developing products and business models that differentiate us from other companies.

These initiatives are being undertaken by 285,800 employees in 619 sites across 46 countries worldwide. Under our fundamental spirit of "One for All, All for One", we will promote more effective communication across the entire organization, share the purpose and goals of each and every plan and activity with one another, and work together as a unified workforce paying utmost respect to labor and human rights in order to contribute to the development of a sustainable society.

Strengthening governance while cherishing our uniqueness

The Yazaki Group promotes corporate activities in accordance

with the rules by thoroughly being in compliance with the requirements of each country in which we operate while proactively expanding our business domains. In the environment that is rapidly changing as can be seen from the disruption of the industrial structures caused by IoT and AI in the automotive industry, it is important that we promote risk management on a global basis in order to flexibly review internal control systems and appropriately accommodate emerging risks.

We will establish and fortify global governance while pursuing the Yazaki way as a reflection of our DNA. This will constitute a significant theme for our operations as we go forward.

Thoughts on the issuance of a CSR Report

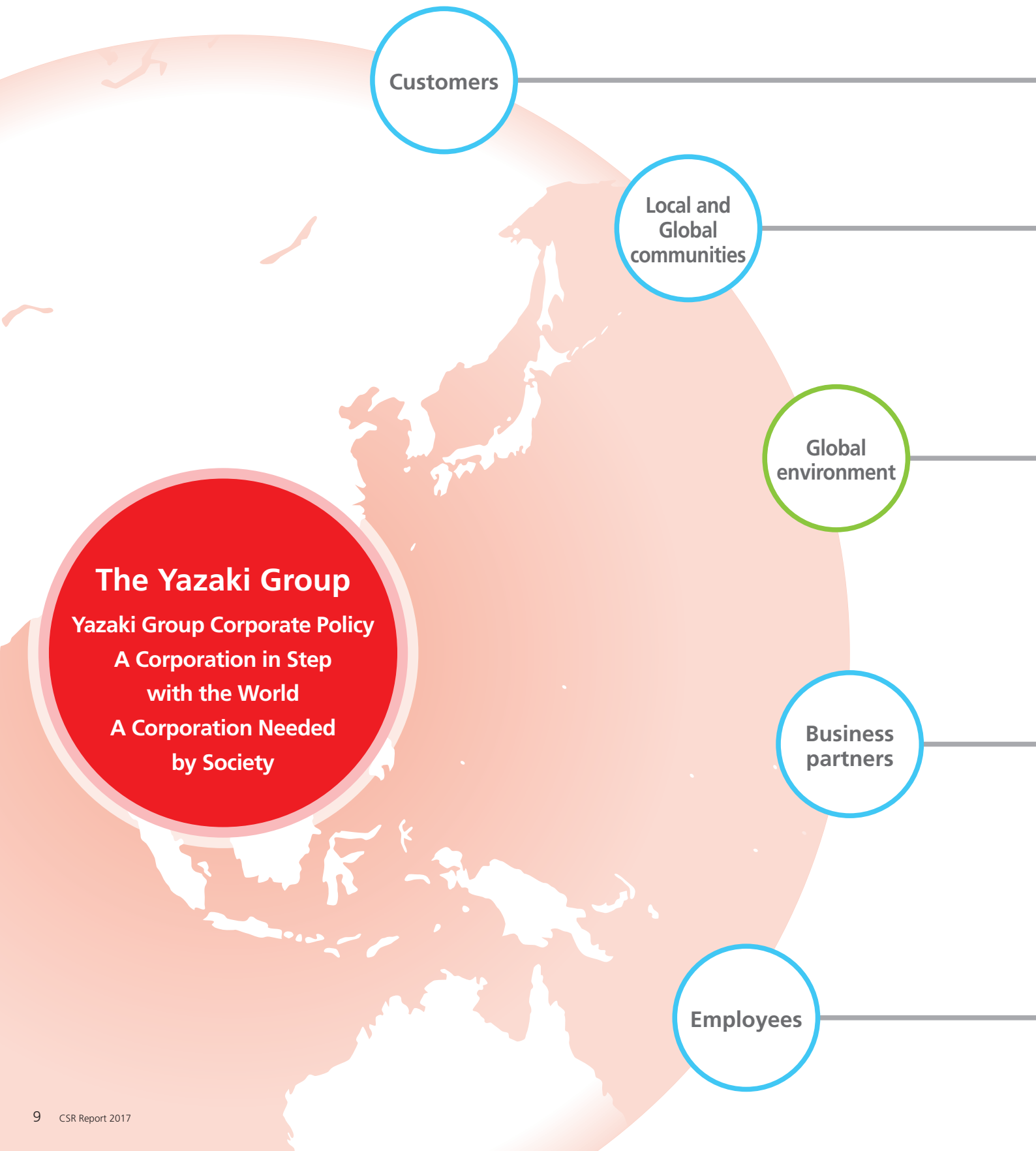
To fulfill the responsibility of the Yazaki Group to provide information and to be accountable to stakeholders, in fiscal 2002 we published our first Environmental Report, which from fiscal 2003 has been published under the new title of Social & Environmental Report.

Recently, we witness the growth of expectations and requests from stakeholders towards the Yazaki Group's CSR activities. In order to remain a company that is trusted by all stakeholders, we recognize the importance of disclosing environmental and social information to a greater degree than before. Moreover, we understand that we must provide more information about our governance as the foundation of our business management. Thus, this fiscal year we have decided to publish the aforementioned report under the title of CSR Report. Recognizing that there is still room for improvement, we strive to continue the activities aligned with our CSR policy, which includes the Yazaki Global Environment Charter, while incorporating opinions and requests of our stakeholders. We hope that this report will provide thorough information about our current CSR activities.

We appreciate your continuous support and look forward to keep serving you in the future.

CSR policy

The CSR policy, the core activities of the Yazaki Group, clarifies our responsibilities to stakeholders through the reorganization and embodiment of our Fundamental Management Policy from the viewpoint of CSR.



CSR policy

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

Customers

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

Local and Global communities

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

Global environment

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

Business partners

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

Employees

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

Established in October 2013

Strengthening Governance

While revering the integrity of Yazaki's corporate philosophy, we strengthen our governance in order to maintain our status as a corporation trusted by the society.

Corporate governance and internal control

○ Basic concept

To achieve our corporate policies of "A Corporation in Step with the World" and "A Corporation Needed by Society", we will build a healthy relationship with our stakeholders, accomplish our corporate social responsibilities, and endeavor to strengthen corporate governance aimed at the sustainable development and the improvement in corporate value.

○ Strengthening internal control

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

○ Organizational structure to ensure compliance

We are a company with corporate auditors, and have established a Board of Directors, Audit and Supervisory Board, and Management Meetings. The Board of Directors Meeting is held every month (if necessary, an extraordinary meeting is held), where the board supervises and decides on matters detailed in the laws and regulations, and on other important matters regarding management. Management Meetings comprise of the president, vice president, and other division managers and are held once a month. In the meetings the participants share information, deliberate and decide on the matters about business operations.

In fiscal 2016, from amongst the previously set up specialized meeting groups, we dissolved the CSR Committee, Compliance Committee, and Risk Management Committee and established the Internal Control Committee with the President as the chair of the committee. The committee monitors and assesses

the functions of the Yazaki Group's internal control. In addition, we have established Internal Control Committee in the ASEAN region as the first step for strengthening the internal control in all regions where we operate.

Compliance

○ Basic concept

The Yazaki Group prescribes complying with the law, conducting corporate activities while respecting regional culture, and contributing to social development in our Fundamental Management Policy. To achieve these goals, we roll out compliance activities based on four pillars: 1) clarification of laws and regulations that we must comply with, 2) employee education, 3) establishment of a system for consultations and inquiries, and 4) monitoring.

○ Organizational structure to ensure compliance

The Yazaki Group expresses a strong intention of top management toward compliance and promotes the follow-up and improvement of compliance activities.

The Compliance Officer System was introduced in fiscal 2015 and it has been used to drive the efforts of promoting autonomous compliance activities of each division.

In fiscal 2016, we sponsored a Global Legal Conference for legal officers in our overseas affiliated companies in an effort to unify the recognition of our efforts for common issues. At the conference, we followed up on the problems shared in the previous fiscal year's conference and improved the level of compliance within the entire the Yazaki Group. Also, we held a keynote speech on the internal control system and in-house audits, and group discussions. During the group discussions, the participants explored the issues of each site and exchanged opinions.

The legal conference for the ASEAN region was held in Singapore, and we discussed serious issues specific to the region. Particularly, an external lecturer delivered a

Topics | Compliance officer award

Aiming to further activate the Compliance Officer System and to improve the awareness of the divisional compliance offices that support officers and their work, we established the Compliance Officer Award (given to the top three divisions) in fiscal 2016. We gave the award to the officers and their divisions that achieved remarkable results in the compliance activities. Each division submitted the reports on various activity results, based on which

the candidates were chosen. The Internal Control Committee made the final decision on the awardees in May, who were celebrated at the Annual President's Policy Meeting in June.

At the award ceremony



lecture and organized a discussion on the anti-corruption measures. Thus, each group company could reflect on the results of their efforts.



Participants in the global legal conference

○ Clarification of the laws and regulations to be complied with

We visualized the laws and regulations commonly related to the Yazaki Group's* businesses using a Compliance management item list, which we review yearly.

Additionally, the compliance officers of the relevant business offices monitor and update guidelines based on any changes to the laws and regulations applied to specific businesses and local governments,.

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

○ Compliance training

The Yazaki Group provides compliance training by work, level, laws, such as compliance seminars for directors, including top management, and makes efforts to improve their understanding of the relevant laws and regulations as well as their compliance consciousness.

In fiscal 2016, we started the Yazaki Legal Conference to share information and provide educational opportunities with the directors in domestic subsidiaries. Also, we held a Compliance week to familiarize the employees with compliance and increase their compliance awareness.

Compliance training

Type	Target employees
Training for different work	
Yazaki Legal Conference	Directors of domestic subsidiaries
Compliance Officer Conference	Compliance officers
Divisional Compliance Office Conference	Division or business office Persons responsible for the compliance office
Education in division	Employees for each division
Training for different levels	
Training for executives	Executive officers and higher rank officers including domestic subsidiaries
Workshops for newly-appointed department heads and leaders	Newly-appointed department heads and leaders
New employee training	New employees
Training prior to overseas transfer	Employees working abroad
Training on various laws	
Antitrust Law training	Sales, purchasing, R&D and other departments
Subcontract Act training	Purchasing and production departments, in-house Sub-Contract Act auditors, etc.

Each division held an event led by the compliance officers and the Compliance Office.

Also, we held a compliance week to familiarize the employees with compliance and increase their compliance awareness. Each division held an event led by the compliance officers and the Compliance Office.

In the events, a number of voluntary efforts were made by each division. These efforts include increasing awareness using crossword puzzles and compliance quizzes, deepening understanding through dialog with compliance officers, conducting a compliance awareness survey, and exploring the problems within each division.



Dialogue with a compliance officer

○ Whistle-blower protection system

The Yazaki Group operates *Yazaki ai*, a consulting and reporting system, for early discovery and prevention of problems, and posts the details of internal and external hotlines to where suspected instances of non-compliance can be directed. In fiscal 2016, to increase recognition, we worked to keep everyone informed of this system, by placing posters in the cafeteria of each business office, and by including the hotline contact address in the employee diary.

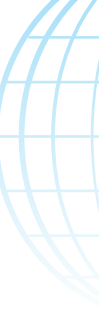
Also, we reviewed the organization of the internal hotline to ensure that all employees can freely report suspected non-compliance. In addition, we require the internal hotline staff to participate in seminars led by professional hotline counselors to improve their counselling skills.

Topics

Lecture at the symposium for promoting fair subcontracting transactions sponsored by the Small and Medium Enterprise Agency

In October 2016, we explained the Yazaki Group's compliance system at the symposium for promoting fair subcontracting transactions sponsored by the Small and Medium Enterprise Agency.

We introduced not only the program for complying with the Subcontractor Act but also the method to achieve the principle of our Fundamental Management Policy "Conduct business openly and fairly, and aim for coexistence and co-prosperity" (which is the promotion of the activities for streamlining of processes through collaboration and fair sharing of the effects).



○ **Monitoring**

To secure the effectiveness of the compliance activities, we examine high-risk items in the Compliance management item list, and do self-inspection using a Compliance check sheet that enables us to easily check the requirements of laws and regulations.

Also, we make efforts to ensure the achievement of compliance in a multi-layered way by implementing an audit by function by the departments in charge of laws and regulations, such as personnel, financial, and legal departments and a regular audit by the Internal Audit Department.

Risk management

The Yazaki Group promotes risk management as an important matter in addition to internal control and compliance. In fiscal 2016, we strengthened global risk management activities and started to deploy the global standard process in Thailand, Indonesia, and Brazil.

Information security

○ **Basic concept**

In recent years, cyberattacks by organized professional groups have increased, and their targets include both nations and corporations. Since the method of their attacks is complicated and hard to detect, we need to validate the effectiveness of the current information security measures and continue to strengthen these measures. Any incidence of information leakage by a cyberattack will damage trust in the company by society and customers, which will result in lost profits.

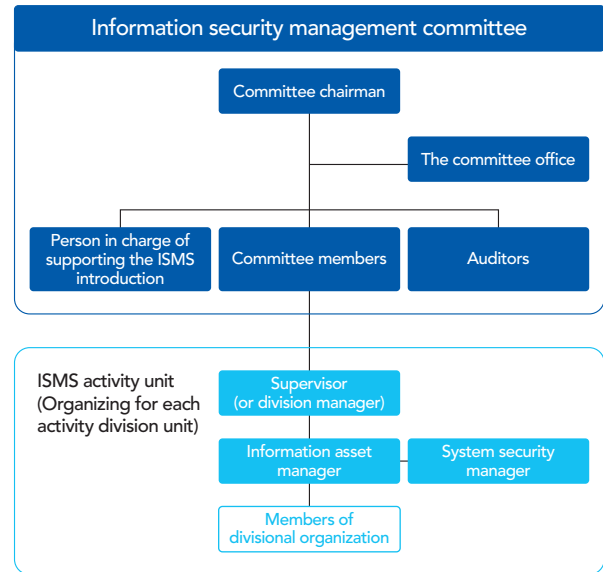
The Yazaki Group protects a broad range of confidential information, including customer’s personal information obtained in the course of work and focuses our efforts on information security so that we can appropriately provide the necessary information on our products from the perspective of customers.

○ **Organizational structure to ensure compliance**

The Yazaki Group established the Information Security Management Committee, and a total of 25 committee members are posted in each division. At committee meetings held every other month, we check the status of information security activities in each division, and consider standardization, common measures, and

educational efforts. Thus, we strive to maintain a high security level.

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



○ **Operation**

We established the in-house system with the information security management committee as a center and continue to implement PDCA cycle in a year through the information security management system (ISMS). The activities are carried out by 155 divisions, including domestic subsidiaries in Japan and 33 corporations in 9 countries in the Asian region.

Also, in the case of a security accident, we report it to the information security management committee to speed up the initial response and implement thorough prevention measures against the reoccurrence of the accident. With regard to personal information protection, we reflect it in the in-house regulations, provide educational opportunities, and place our protection policy on the in-house intranet to ensure that employees see it when they access personal information.

Responsibilities to Customers

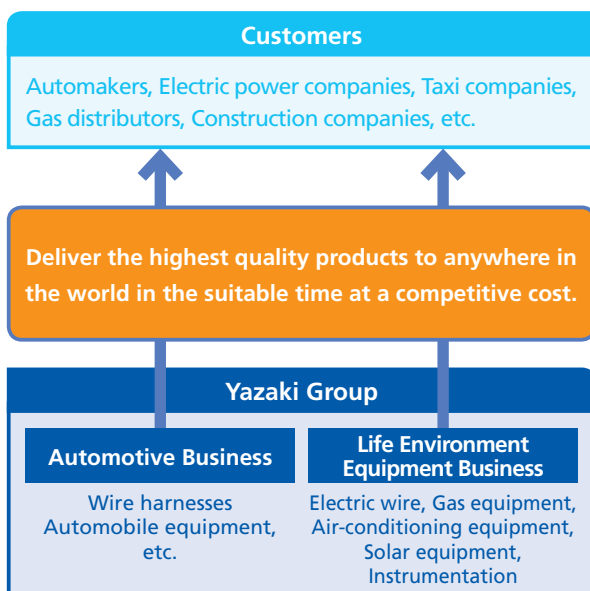
At Yazaki, our customers come first. We serve our customers with a stable supply of high-quality products that consistently meet safety standards.

Basic concept

The Yazaki Group develops, produces, and sells automobile equipment centering on wire harnesses and living environment equipment, including electric wires, gas equipment, air-conditioning equipment, solar equipment, and instrumentation.

In an effort to fulfill our responsibility as a manufacturing company, that is, delivering the highest quality products to anywhere in the world in the suitable time at a competitive cost, each and every employee thinks and acts from the customer's point of view and aims to continue to be the best partner for customers.

Business and customers of the Yazaki Group



Initiatives of Automotive Business

In order to promptly capture customer needs from a global perspective and accurately respond to them, it is essential that all related departments cooperate and collaborate with one another. To that end, the Yazaki Group organizes business units comprising the development, production, and sales division for each customer. Through this system, we also enable cross-divisional management of corporate responsibilities, such as compliance with laws and regulations, and ensure that we fulfill our responsibilities as a company without any omission.

In fiscal 2016, we strengthened cooperation between divisions to respond to the demands by global customers and started operation of the mechanism for production preparation aiming at effectively securing the quality of work in order to achieve each goal of QCDE* in product

development. Through this mechanism, we systemize the work process to achieve goals and measure the impact based on a common set of values, which are expected to result in the product development that precisely meets customer expectations.

* Q=Quality, C=Cost, D=Delivery, E=Environment

Initiatives of Life Environment Equipment Business

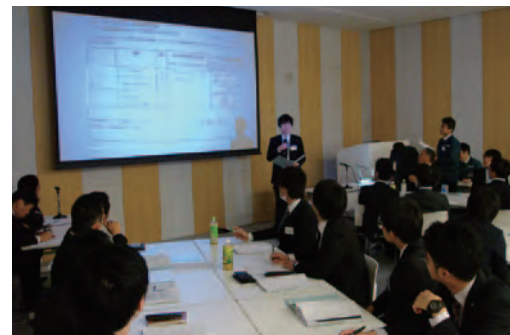
○ Electric Wire Operations

Since 2002, we have been holding seminars and factory tours so that people from the partners* can acquire basic knowledge in electric wires and cables and understand manufacturing methods and the features of products. In fiscal 2016, a total of 94 people (49 partners) participated in the seminars in November and April and gave us favorable feedback. At the seminar with the theme of achievement of total cost down by easy construction, the participants actually touched the products and experienced the features, and we introduced how we made the most of electricians' opinions.

Also, we conduct a questionnaire survey of the customers about customer satisfaction. Based on the results of the survey, we have group discussions in the development, production, and sales divisions with the customers. We give customers' opinions and requests obtained on this occasion to each division to improve customer satisfaction.



Experiencing good cable threading capability of *Yawaraka cable* 600V-CE



Presentation at a group discussion

*Partners: A general term applied to agents with strong business ties to the Yazaki Group

○ Gas Equipment Operations

Since 1963 when we first sold LP-gas meters, the first of its kind in Japan, the Yazaki Group has been providing products and services that ensure the safe use of gas among customers. Moreover, we have our own Gas Engineer Qualification System in place for designated gas equipment service shops (GSS), who sell our gas equipment and provide services related to them. The system aims to encourage GSS employees to acquire and maintain gas equipment knowledge and skills.

Moreover, the Yazaki Gas Equipment Training Center, established in 1981, was designated as training facilities for authorized LP-gas Facilities Managers by the Ministry of Economy, Trade and Industry, and has been providing the education required for LP-gas plumbing. We held four seminars in fiscal 2016, and a total of 51 trainees passed the authorized LP-gas facilities manager test. So far, a total of 1,543 trainees have passed the test.

Through these efforts, we will continue to provide safe services with customers.



Lecture for engineers

○ Environmental System Operations

The Environmental System Operations meets a diversity of needs of local communities through the development, production, and sales of products that leverage renewable energy, such as solar heat and wood biomass.

In the solar equipment business, we promote activities to establish a new solar heating business model together with various industries, including house builders, in order to provide the value required by customers.

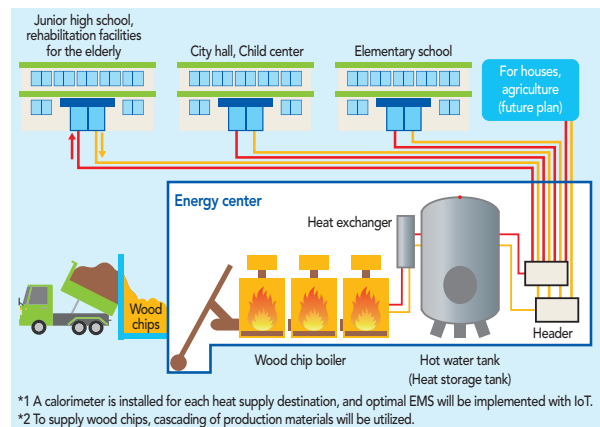
In the wood biomass business, we started the sustainable energy system in Nishiwakura-son, Okayama. We aim to create a high-quality rural area there and have been promoting the Centennial Forest Scheme* since 2008. To effectively use unused wood produced in the scheme, we will introduce the heat supply system using wooden biomass boilers. Techno Yazaki, one of our subsidiaries, is responsible for the basic design. They established the mechanism to supply heat for heaters and hot water

supply system to local facilities.

We will consider from the perspective of each customer, promote product development considering environmental conservation, and contribute to a sustainable society by increasing solar heating and biomass equipment.

*Our efforts in which we create industries and jobs from the forests and village assets to activate the village.

Heat supply system diagram



○ Instrumentation Operations

Under the concept of connecting vehicles with infrastructure, the Yazaki Group contributes to the realization of a smart community-based safe, low-carbon society by providing instrumentation system products that help solve the issues facing a motorized society, such as safety and security, environment and energy saving, and efficiency and convenience. Since 1962 when we built a nationwide service network centering on the tachograph, we have been upgrading and enriching our after-sales service, including the installation, component replacement, and repair of instrumentation devices in collaboration with distributors.

In fiscal 2016, we put *Arofriend 27*, a digital tachograph built-in taximeter, on the market in addition to the *DTG 7*, a digital tachograph. We contributed to business improvement for customers by improving the efficiency of vehicles and labor management, in addition to safety and eco driving. We will contribute to the safety of customers' vehicles, energy saving, environment conservation, and efficiency.



Taximeter Arofriend 27

Topics | Starting IoT telematics service in the ASEAN region

Yazaki Energy System Corporation will develop a total logistics support system in collaboration with UPR Corporation and operate the system from January 2018.

The increase in traffic accidents has become a social issue in Thailand and other ASEAN region. Thus, there is an accelerating movement to introduce legislation where a telematics on-board unit should be installed in business vehicles, such as trucks, and the need for telematics services is rapidly increasing. Since trade liberalization is advancing in the region after the establishment of the ASEAN Economic Community, the need for land transportation and cross-border logistics is expanding. They are required to grasp the damage to goods during transportation and temperature conditions and to improve transportation quality through management and antitheft measures.

Under these circumstances, Yazaki Energy System Corporation developed a total logistics support system for the ASEAN region in collaboration with UPR Corporation. This system consists of the IoT

telematics service where the Yazaki Group's on-board unit and operation management service (*iQsan*) are combined with UPR's Smart pallet® system. By introducing this system, we can visualize not only the status of vehicles, such as position and speed, but also the status information of loaded goods, vibration, and temperature, including ID, on a real-time basis. Moreover, this system enables integrated management of safety (accident prevention), energy saving (eco driving), goods quality (temperature and vibration), and efficiency, labor management, antitheft measures which were previously all controlled by each logistic company. Thus, it leads to the improvement in the logistic efficiency and transportation quality.

We will expand this service mainly in the ASEAN region and contribute to the improvement in the transportation quality.

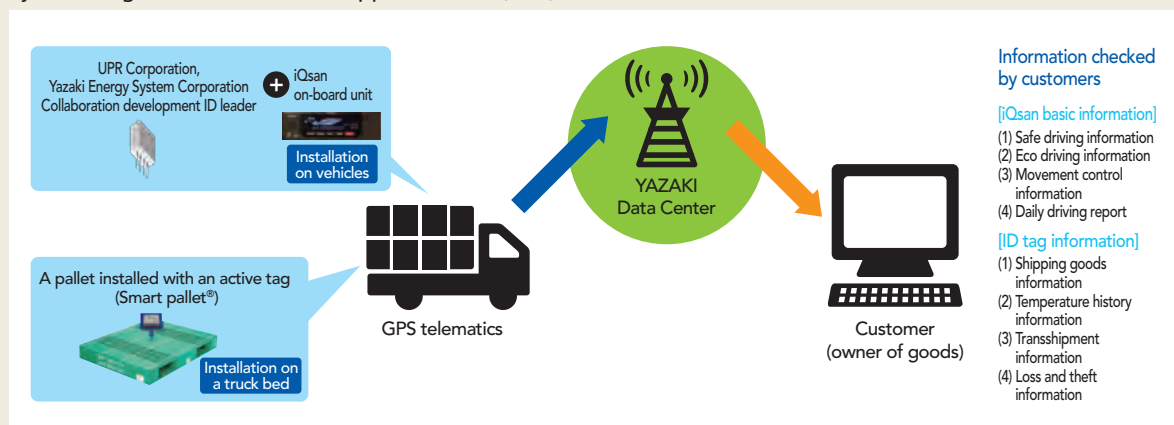
◎iQsan

iQsan is an all-in-one on-board terminal unit containing the real-time communication telematics and digital tachograph functions that can control safety and save fuel. The unit installed in the vehicle obtains driving data and position information and analyzes the driving tendency of each driver. It has functions that contribute to the improvement in the driving quality of drivers, such as giving a caution for dangerous driving and advice for better driving.

◎Smart Pallet® system

In the Smart pallet® system, a network connection function is installed in pallets mainly used in factories or logistics departments, and these pallets can be controlled on the Web. This system enables the integrated management of the operation rates and the inventory control by checking incoming and outgoing pallets.

System diagram of iQsan total support service (ITSS)





Yawaraka cable, Connects Yazaki with Customers

Yazaki's *Yawaraka cable* has developed a strong reputation among customers since its launch in May, 2010. In particular, the so-called large size cable type is softer and more flexible to handle regardless of its largeness, helping to improve the safety and ease of traditionally challenging wiring work. Owing to the exceptional functionality and environmental performance of *Yawaraka cable*, its market share increased by more than 1.5 times in the period between its release in 2010 and 2016, and it still continues to gain popularity.

Yawaraka cable unites the Yazaki Group and its customers, and contributes to the development of the electrical construction industry.

Recognized social issues

Improvement of work efficiency and spread of large size cables

Demand for electric wires is increasing due to the re-development of Tokyo metropolitan area, the project of the Tokyo Metropolitan Government for placing utility wires underground, aging of infrastructure, and preparations for the Tokyo Olympic and Paralympic Games in 2020. At the same time, aging and shrinking of workforce make work efficiency and safety an increasingly important issue for the electrical engineering industry.

Furthermore, the Japanese Electric Wire & Cable Makers' Association engages with other countries to develop the international standardization of large size cables (cable with larger conductor), to have a lower power loss and to contribute to the reduction of the environmental burden.



Time-consuming wiring work within the power distribution board

Value for society

Increased work efficiency and reduction of CO₂ emissions

Yawaraka cable, the large size cable offered by the Yazaki Group, can generally be used for business offices and factories. The flexibility to bend to shape reduces the cable connection work on the power board and thus shortens work time. Also, it reduces the risk of injury from disconnection of cables due to decreased rebound.

In addition, the large size *Yawaraka cable* achieves a reduction of CO₂* by reducing the power loss – a factor that contributes to the growing popularity of large size cables.

* According to the estimate by the Japanese Electric Wire & Cable Makers' Association, by replacing existing electric wires with larger cables, which have twice the conductor size, Japan could decrease its total CO₂ emissions by about 1%.



Exhibited *Yawaraka cable* in JECA Fair

Features of Yawaraka cable

Feature 1 Easy to bend, maintains its shape

Yawaraka cable is easy to bend and stretch. Its flexibility is two to three times that of conventional cables, and it can be reformed to its new shape with a single bend.

Yawaraka cable, can be reshaped with a single bending action



Feature 2 Significantly improves workers' safety

Conventional cables can bounce back when disconnected leading to a risk of injury to workers. *Yawaraka cable* has less rebound, thus reducing the risk of injury.

Comparison of rebound of conventional product (left) and *Yawaraka cable* (right) at disconnection





Looking ahead

Towards global expansion

Thai-Yazaki Electric Wire Co., Ltd., was established in 1962 as the first foreign subsidiary and is currently becoming a top electric cable manufacturer for the construction and power industries in Thailand. The company markets the *Yawaraka cable* as a distinctive product which significantly improves work performance and safety during the construction works. The company actively promotes sales of the product to the rural areas in Thailand, where urbanization is progressing, and other ASEAN countries, such as Myanmar, with high potential for the increase in electrification. Hence, we have a goal to expand the business, while contributing to the infrastructure development in ASEAN countries.



The Suvarnabhumi factory of Thai-Yazaki Electric Wire Co., Ltd., manufacturing *Yawaraka cable*

In addition, the Yazaki Group is developing a *Yawaraka CV cable in low temperature environment* that is softer than ever before in order to take advantage of its features in cold climates. The product will be launched first in Hokkaido and then in Tohoku in autumn of 2017.

Feature **3** Superior workability reduces working time

Yawaraka cable maintains its modified form so that wiring work can be carried out reliably and smoothly in a shorter time, improving work efficiency (35% higher compared to our other products).

Yawaraka cable, enables wiring of an S-shape (left) and a figure-of-8 winding (right)



VOICE Satisfied Customer Feedback



Company A

Major Electrical Subcontractor

We were able to do wiring work with fewer people by replacing conventional products with extremely safe and flexible *Yawaraka cable*.

Once we make a shape, the cable holds it firmly in place, which makes wiring safer and more accurate.



Company B

Major Electrical Subcontractor

Even after being unrolled from the drum, *Yawaraka cable* maintains its straightness, so we managed to complete the cable extension without making extra effort.



Company C

Major Electrical Installation Service

Since it is easy to use, we could smoothly complete the wiring within a small power distribution board in a shorter time.



Company D

Electrical Installation Service

VOICE From Developer, Manufacturer, and Sales Rep.



I liked working on this product. My contribution to it was the softening of the electric wire by using a post-annealing technology. Based on my interactions with our customers, I am confident that softening the large size cables will satisfy their needs.

Yasuo Usui, First Development Division, Electric Wire Development Center

Even though we faced unprecedented challenges, the launch of the production line for the thick *Yawaraka cable* was a success and achieved the factory slogan of "Impress Customers!". We are glad that owing to the discussions with internal and external stakeholders, we were able to install better facilities.

Tatsuya Murofushi, Suvarnabhumi factory, Thai-Yazaki Electric Wire Co., Ltd.



The Sales Division's objective was to increase the appeal and value of the products, while incorporating the enthusiasm of the developers and manufacturers. We distributed catalogs and participated in exhibitions to convey the benefits of *Yawaraka cable* to many customers.

Hiroki Ito, Sales Planning Department, Electric Wire Sales Division

Responsibilities to Business Partners

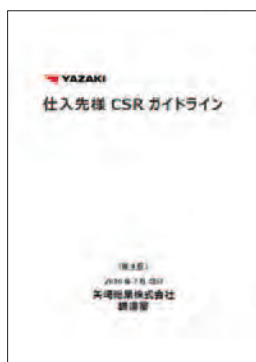
We conduct open and fair transactions with our business partners, sharing our policies and goals with them.

Initiatives for Supply Chain

○ Development of Supplier CSR Guidelines

The Yazaki Group formulated the Supplier CSR Guidelines in November 2015 in order to have a common understanding of corporate social responsibility (CSR) with suppliers and to conduct positive CSR activities together. We have distributed the guidelines to approximately 500 companies, and we have confirmed suppliers' compliance status on CSR activities according to the Supplier CSR Self-Assessment Check Sheet. We asked suppliers to promote the CSR activities based on these guidelines with their suppliers.

In fiscal 2016, the Supplier CSR Self-Assessment Check Sheet was revised, and the supplier support system was restructured to support all suppliers more effectively.



Supplier CSR Guidelines*

*Please click the link below to access the Supplier CSR Guidelines.

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

○ Efforts for coexistence and mutual prosperity with suppliers

When *Yaei-kai*, a cooperative society aiming for co-existence and co-prosperity comprising thirty-one major suppliers, is held, the Yazaki Group encourages suppliers to promote thorough management of CSR in the daily operation of their entire supply chain as for quality and safety, compliance, risks, and occupational health and safety, through regular meetings and information exchange meetings.

Yaei-kai has held several study sessions based on the procurement policies of the Yazaki Group. One of the sessions was about the Promotion of CSR activities supported by ten members of *Yaei-kai*.

○ Yazaki Global Suppliers Convention

The Yazaki Global Suppliers Convention is held 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.

At the convention held in July 2016, 149 domestic and overseas supplier companies participated. President Yazaki explained the management environment of the Yazaki Group and the priority measures based on the concept of Return to the origin as a Monozukuri (craftsmanship) company. Then, the general manager, Purchasing division, explained the procurement policies and shared information on the positioning of the purchasing division in the global system and on Yazaki's safety, quality, and environment-based pursuit of cost competitiveness, supply chain control center, and manufacturing. He also asked for the best proposals for customers to be offered and the promotion of CSR activities. Moreover, in an effort to deepen mutual cooperation with suppliers, a technology exchange meeting was held with the concept of strengthening the optimization of Yazaki Group's global procurement. In the meeting, we received proposals to reinforce the competitiveness of Yazaki's component business from the participating suppliers, introduced case examples and developed products for optimized global procurement. This meeting also served as an opportunity for participating suppliers to exchange views with other suppliers.

We will continue to build strategic global partnerships with suppliers aiming for coexistence and co-prosperity, and product manufacturing that is responsive to changes in the business environment.



Yazaki Global Suppliers Convention (President Yazaki, left. General Manager, Purchasing Division Kato, right)

○ **Response to conflict minerals surveys**

Recently, it is feared that the metal resources mined in the Democratic Republic of the Congo and its surrounding regions may be the source of funding for armed groups that repeatedly practice inhumane acts, such as the infringement of human rights (forced labor and child labor). 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 disclose information about the use of conflict minerals in their annual report.

The Yazaki Group conducts a conflict minerals survey across the entire supply chain to fulfill its social responsibilities and meet the requests of customers, including automobile manufacturers. In June 2017, we

held a briefing on the conflict minerals surveys with 146 supplier companies participating. The agenda was an overview of the conflict minerals surveys and reports, the changes in the forms, survey schedule, and points to be noted. We also asked for their understanding and cooperation for the survey. We will continue to promote the conflict-free procurement of raw materials in collaboration with our suppliers.



Conflict minerals survey briefing

Topics | Our octagonal Packaging material for automotive terminal reels was well received in Japan and abroad

Japan

Won the Industrial Packaging Award in the Japan Packaging Contest

Oji Container Co., Ltd., and the Yazaki Group jointly entered the Packaging material for automotive terminal reels in the Japan Packaging Contest 2016 held by the Japan Packaging Institute and won the Industrial Packaging Award. The contest is the largest contest in the packaging sector in Japan and held annually.

Our award-winning packaging material was invented to prevent the typical squashed box problem. Its octagonal design improved the compression strength by 15%, and the load efficiency increases so that more boxes can be loaded onto a truck. In addition, without the reinforcement materials, the weight was reduced by 16 to 20% compared with the conventional product.



Award-winning Packaging material for automotive terminal reels

Abroad

Won the WorldStar Award in the WorldStar Competition

The WorldStar Competition is held annually by the only international organization in the packaging sector, the World Packaging Organization, in order to introduce excellent packaging globally amongst the many participating countries.

We entered Packaging Material for Automotive Terminal Reels jointly invented with Oji Container Co., Ltd., in the WorldStar Competition 2017. Our product received the WorldStar Award against the other 291 entries from 35 countries.



Industrial Packaging Award (left), WorldStar Packaging Award (right)

Responsibilities to Employees

We ensure that systems and conditions for employees are improved continuously to enable every employee to fulfill their potential.

Sincere dialogue with employees

○ Toward a better work environment

With the aim of further development, based on the mutual trust between labor and management, the Yazaki Group improves its personnel system and working conditions in collaboration with the All Yazaki Union of Japan. A labor affairs review committee meeting and branch office labor-management conferences are held monthly as well as an annual labor council to examine regulations and verify performance.

In 2013, upon the 50th anniversary of the All Yazaki Union of Japan, we concluded the Yazaki Group Labor-Management Joint Declaration to share its basic concept. Currently, we focus on the realization of one of the declarations, "Creation of a corporate atmosphere and culture that fosters workers' mental and physical health."

In fiscal 2016, we continued to improve the work environment by encouraging the taking of paid leave, such as defining specific periods for each branch office to encourage employees to take paid leave. In addition, in order to reliably prevent overtime working, labor and management agreed to introduce Interval rest hours in which an employee must have a certain period of rest time between the end of a work period and the start of the next work period.

We will continue to promote a better working environment in the Yazaki Group through the collaboration of labor and management.

○ Further enhancement of personnel system

In fiscal 2016, we introduced the Yazaki Defined Contribution Pension (DC) Plan to support the lives of retired employees. For contract employees, whose work place and duties are under work conditions that are different from permanent employees, we have modified their vacation and leave regulations to be equivalent to permanent employees to encourage their motivation.

In 2014, HR introduced an employee reward scheme called "Rewarding Employees Who Worked Hard" to properly evaluate those who have done their best and achieved higher levels of performance. In fiscal 2016, this scheme was revised according to the changes in society.

Respect for human rights

○ Implementation of CSR education

In order to deepen understanding of the respect and consideration of human rights in different countries, we explain about CSR policies and risks of human rights abuses including child labor, and forced labor during the CSR training held for employees who will work abroad. In fiscal 2016, 95 employees participated.

○ Response to the Modern Slavery Act 2015 — UK Parliament

The Yazaki Group and Yazaki Europe Limited disclosed the statement on the website that we are totally opposed to slavery in our supply chains as a response to the Modern Slavery Act 2015 legislation in the United Kingdom in October 2015 in order to eradicate modern slavery.

* Visit the following page about the statement responding to the Modern Slavery Act 2015

<https://www.yazaki-group.com/global/ser/statement.html>

Development of the human resources that will lead the next generation

○ Yazaki Leadership Development Seminar

Since fiscal 2011, the Yazaki Group has conducted the Yazaki Leadership Development Seminar geared to young managerial staff and manager candidates, who were recommended by their superiors. In the seminar, participants are expected to acquire basic management knowledge, leadership skills, and the capability to handle diverse situations. In fiscal 2016, a total of 20 people from ten countries participated in the seminar.

○ Yazaki Corporate Culture Training

Yazaki Corporate Culture Training celebrates the 22nd anniversary this year. It is a personnel development program for employees of overseas group companies to learn the Japanese language and culture and deepen their understanding of our corporate culture. A total of 222 people have completed the program, including six in fiscal 2016. During the program, participants stay in Japan for a year, deepen their communication with Japanese staff, and serve as intermediaries between their countries and Japan after completing the training.



Trainees experiencing Japanese culture

○ Yazaki-juku (Dialogue with top management)

We provide *Yazaki-juku* as a place for employees to exchange views with top management and deepen mutual understanding. In the Follow-up Workshop, first held in 1983, employees who have been working for Yazaki for over five years discuss the principles and objectives of the Yazaki Group with the chairman. In the Management Round-table Conference, first held in 1999, department managers exchange views with the president on their visions of how to manage a workplace. In fiscal 2016, 17 follow-up workshops (226 participants), and five management round-table conferences (30 participants) were held.



Participants at a Follow-up Workshop and Chairman Yazaki

○ Yazaki Summer Camp

With the aim of providing children, who will lead the future society, with opportunities to have a wealth of experience, we have held a Summer Camp geared to the children of our employees each year since 1977.

The camp provides children opportunities to make new friends, have new experiences, and increase their interest in environmental issues and deepen their mutual understanding through international exchanges. This camp also serves as a place to develop the leadership and communication skills of young employees, who participate in the camp as instructors.



Participants at Yazaki Summer Camp in Japan

Overview of the Yazaki FY 2016 Summer Camps

	Domestic	Abroad	In Japan
Target	Domestic employees' children (5th and 6th grades)	Domestic employees' children (8th grade)	Overseas employees' children (14-year-old children)
Locations	<ul style="list-style-type: none"> Yusuhara Town, Kochi (Jul. 25th to Jul. 29th) Eastern part of Shizuoka (Aug. 2nd to Aug. 5th) 	<ul style="list-style-type: none"> China (Jul. 31st to Aug. 5th) Vietnam (Aug. 7th to Aug. 12th) 	Chiba, Tokyo, Shizuoka (Jul. 22nd to Jul. 28th)
Number of participants	<ul style="list-style-type: none"> Children: 230 Instructors: 32 	<ul style="list-style-type: none"> Children: 127 Instructors: 18 	<ul style="list-style-type: none"> Children: 321 (36 countries) Instructors: 41
Cumulative total	39 camps, 7,151 persons	30 camps, 4,764 persons	27 camps, 3,823 persons

○ Promotion of International Understanding Support Center Project

The Yazaki Group believes that it is important to improve employees' skills in creativity, autonomy, language, and understanding of different cultures to foster global personnel based on our corporate policy, "A Corporation in Step with the World". As "A Corporation Needed by Society", we would like to expand our support activities for international understanding and education with a view to the development of global personnel in local educational institutions and companies.

The Adventure School is a part of this project and has been held since 1993. More than 1,300 people from 44 countries have participated. In fiscal 2016, eight employees who took a leave of absence for one year participated in the Overseas Training Adventure School, and eleven prospective employees participated in the Pre-joining Adventure School.

Respect for employee diversity

○ Increasing employment of persons with disabilities and their job categories

In an effort to promote the employment of persons with disabilities, the Yazaki Group has standardized operations and reinforced a follow-up system at each workplace along with improving disability-friendly facilities.

At Yazaki Business Support Co., Ltd., a special subsidiary of Yazaki Corporation, 23 employees with disabilities are engaged in the management and cleaning of welfare facilities and the collective management of waste from Y-City (Susono City, Shizuoka) in fiscal 2016. To enable them to continue working, we developed or arranged qualified personnel, such as an in-house job coach and a counselor to strengthen our support systems.

In fiscal 2016, 282 persons* with disabilities, including those newly hired, were working for the Yazaki Group*

and the current employment rate of persons with disabilities is 2.32%*.

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

○ **Securing employment opportunities for the elderly generations and their expertise transfer**

The Yazaki Group strives to re-employ retired employees in order to contribute to securing employment for the elderly and to transfer their advanced skills and techniques to the next generation. In fiscal 2016, we re-employed 604 retired persons, including 102 new employees for Anchor* and 186 retired persons, including 33 new employees for Elder.*

* **Anchor and Elder:** The system to promote the re-employment of retirees, The target of the anchor system is a permanent employee; the target of the elder system is a contract employee

○ **Work life balance and promotion of female activities**

We are working on a variety of initiatives to create a workplace where all employees can work with high motivation and satisfaction.

In fiscal 2016, we expanded the continuous elderly care leave period to 365 days, which is longer than the statutory 93 days, to support employees who engage in nursing care, according to the revision of the Act on Childcare Leave and

Caregiver Leave in January 2017.

In addition, we worked on the action plan, "Support for women's career awareness and systematic human resource development" based on the Act on Promotion of Women's Participation and Advancement in the Workplace enforced in April 2016. The main approaches were the launch of the website in the corporate intranet to establish a consultation desk related to childbirth, childcare, and nursing care and introduced the career model of a woman who was responsible for a managerial position while taking childcare leave and a man who obtained continuous childcare leave.

We will continue to respect the diversity of employees and strive to create a work environment and enhanced systems to support each other during child or nursing care.

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

Category	2012	2013	2014	2015	2016
Continuous childcare leave	74	93	98	99	105
Short working hours due to childcare	115	133	155	177	172
Nursing leave	58	64	67	64	74
Continuous elderly care leave	1	2	3	1	5
Short working hours due to elderly care	2	1	1	1	2
Elderly care leave	2	1	2	1	9

Topics | Awarded Excellent Enterprise for Employment with Disabilities Shizuoka Prefecture Governor Prize

In September 2016, we received the Shizuoka Prefecture Governor Prize as an excellent enterprise hiring persons with disabilities in a Shizuoka Prefecture Employment Promotion Competition held by Shizuoka office of Japan Organization for Employment of the Elderly and Persons with Disabilities.

The measures implemented by Yazaki Business Support to maintain an environment in which people with disabilities can work smoothly and longer were particularly well received: 1) Regular meeting with a job coach, an employee, and employee's family; and 2) support for living in cooperation with an external institution.



Ceremony at Shizuoka Prefecture Employment Promotion Competition

Topics | Female Managers Meeting

In fiscal 2015, we established the diversity support team in the HR Department for the success of various employees regardless of gender, age, nationality, and the way of working. In fiscal 2016, a Female managers' meeting was held to exchange opinions about the promotion of successful females as part of the team's activities. They shared their thoughts and the hardships of their jobs and exchanged their opinions on the success of female employees in each division and abroad. We will continue to implement initiatives to deepen our understanding of diversity.



Female managers' meeting

Creating a safe and comfortable workplace

○ Improving mental and physical health

The Yazaki Group aims to establish the maintenance of good health among all employees as a part of the corporate culture. As one of the basic measures, we have been organizing all employees (100%) to undergo a regular health checkup.

Moreover, we have been conducting mental health examinations since 2009, prior to the legislation in 2015, to encourage employees to become aware of the state of their own mental health and to promote self-care. In fiscal 2016, expats and employees of subsidiaries in Japan are also eligible to take this examination. We also conduct annual in-house training to create an environment where companies and employees work together to maintain good mental and physical health. We will continue to support employees from the health management viewpoint.

○ Wellness Promotion Project

In fiscal 2015, we launched the Wellness Promotion Project for the purpose of creating a corporate culture in which an employee can develop and nurture a healthy way of working and lifestyle in the office.

As part of the project, we commenced the Farming Experience Dojo in fiscal 2016 for employees to restore and maintain a healthy mind and body and realize the significance of the job by engaging in farming at a subsidiary that runs an agricultural business. The farming experience of dealing with nature is not always according to the manual and that is useful for work as well as daily life.

In order to deepen our understanding of wellness, we distribute a daily calendar with catchphrases of wellness promotion to branch offices.



Daily calendar with catchphrases

○ Occupational health and safety

In domestic production sites, we are working to improve the safety awareness of our employees by conducting risk assessment activities to detect and prevent potential risks in workplace, an education that enhances sensitivity to risk. In the event of occupational accidents, we share information on countermeasures within the company to prevent the recurrence of similar accidents. Furthermore, we are working to improve the working environment by prioritizing the safety of employees, temporary staff, and external contractors in all business sites. For example, we conduct working site assessments to evaluate the level of safety and health management.

The Yazaki Group will continue to build a global management system to strengthen the safety and health operations.

Disaster mitigation measures

○ Development of natural disaster mitigation

Since our first priority is ensuring the safety of our employees in the event of disaster, we are developing natural disaster mitigation.

In fiscal 2016, we prepared Wind and flood response manuals to respond to typhoons, torrential rains, or high tides and developed the system to check the operational status of Earthquake response manuals and Eruption response manuals at each site. We will enhance employees' awareness of natural disaster safety manuals.

○ Fire prevention countermeasures

In order to prevent fire caused by electrical equipment and chemicals, we have enhanced the Fire control regulations and the evaluation function for the fire protection management systems of all sites in Japan. In addition, we provided detailed training to all fire prevention managers in Japan about compliance with firefighting laws and to promote the understanding of fire prevention regulations.

Responsibilities to Local Communities

We are working together with local communities for their revitalization.

Initiatives in FY 2016

○ School kit campaign

YSE (Portugal) conducted the School kit campaign to provide stationery backpacks to economically disadvantaged children. The 128 backpacks donated by employees were delivered to children through 12 organizations such as the Red Cross and the child protection association.



School kit campaign



Donated back pack

○ Donation of books and traditional musical instruments to a school

In fiscal 2016, PEMI (Indonesia) supported the renovation of the health room of the neighboring elementary school and donated facilities such as beds and first aid kits. In addition, PEMI built a library with 1,500 books and donated traditional Indonesian musical instruments. Many schoolchildren and their parents participated in the donation ceremony held on January 13, 2017.



President and Vice President of PEMI reading a book

○ Won the Excellent Prize of the 5th Let's Extend Healthy Life Expectancy! Award

Yazaki Care Center Kamifusen (Susono City, Shizuoka), which provides nursing care support, was awarded the Excellent Prize for the nursing care and elderly support

sector of the 5th Let's Extend Healthy Life Expectancy! Award from the Ministry of Health, Labor and Welfare in November 2016. Kamifusen is located in Y-City, which includes a nursery and company dormitories developed by the Yazaki Corporation, and users, the Yazaki Group employees, volunteers, and residents can visit to exchange ideas. These initiatives were evaluated, and the Center won the prize for the first time.



Excellent Award Winning Yazaki Care Center Kamifusen

○ Stakeholders meeting

The 6th stakeholders' meeting was held on December 8, 2016, at the Daito factory of Yazaki Part Co., Ltd. (Kakegawa City, Shizuoka). We invited nine neighboring residents to the meeting and introduced efforts by the Yazaki Group and the Daito factory and discussed risk management and environmental conservation with stakeholders. We will make use of their valuable feedback for community-based activities.



Neighboring residents participating in the Daito factory tour

○ Summer Parent-child factory tour

In August 2016, the Fuji factory of Yazaki Energy System Corporation (Gotemba City, Shizuoka) joined the Summer parent-child factory tour held by Gotemba City and companies in Gotemba for the purpose of career education and lifelong learning for children.

During the tour, the role of electric wires and the Fuji factory were explained to children and their parents using slides and DVDs with illustrations and photographs to make it easy for the children to understand. They enjoyed a stamp rally and quiz when learning about the factory. We will continue to contribute to the education

of the next generation in cooperation with the local government.



Fuji factory tour

Topics | For children for the future of India

YIPL (India) operates two child-care facilities (about 400 children in Ashramshala, about 50 children in Maria Sharan) with donations from Departments in pursuit of our corporate policy. In the facilities, children from the ages of four to sixteen are living together irrespective of caste, class, or religion.

YIPL employees donate food, clothing, books, and stationery and visit the facilities every month to participate in recreation and sports with the children. Through the interaction with the children, the employees also spend quality time.

○ Development project in Ashramshala

In Ashramshala, teachers are enrolled in the facility. Although science is a compulsory subject in India, there is no science room in the facility, so children needed to join a science class in another school. In order to solve this problem, we built a science room in fiscal



Children in Ashramshala

2015. The establishment of a laboratory-equipped science room allows children to take classes without lagging behind other schools, thereby improving their motivation to learn.

In addition, health and hygiene education is conducted in the dormitory where approximately 150 girls live together. Children who grew up in an economically and socially poor environment needed to learn about the importance of health and hygiene. We support the provision of health and hygiene education to improve the knowledge of children in the use of sanitary products, the importance of prevention of infectious diseases and the maintenance of cleanliness.



A fully equipped science room



Classroom

Close Up

Twenty-six years with Samoa

In 1991, the Yazaki Group started a business in Samoa, formerly Western Samoa, as the largest manufacturer. Since the establishment to the present day, we have grown with a great deal of support and cooperation from the customers, business partners, and local communities. However, the history of Yazaki EDS Samoa (YES) will end in 2017. We would like to look back at activities that YES implemented in Samoa.

What's Samoa?

The Independent State of Samoa is a small island country in the South Pacific and is made of seven small islands; the main islands are Upolu and Savaii. The population of Samoa is shy of 200,000 with the main industries being agriculture, fishery, tourism and manufacturing.

YES (Yazaki EDS Samoa Ltd) entered Samoa in 1991, which for the last 26 years provided many employment opportunities including for women's participation in the formal work environment. I would like to express our sincere appreciation to the Yazaki Group for their contribution to Samoa's economy and for the successful relationship it has had with Samoa over the last 26 years of operation.



Samoa Ambassador to Japan
Har Excellency Faalavaau Perina
Jacqueline Sila-Tualaulelei

History of Samoa and Yazaki

1991
Yazaki Australia Pty. Ltd. (YAP) established the Western Samoa factory.

1992

1995
Yazaki EDS Western Samoa became independent from YAP Western Samoa.

1996

1997
Changed the company name to Yazaki EDS Samoa (YES) due to the change of country name.

Vaitele factory dedication ceremony

In the dedication ceremony, the Prime Minister, Ministers, Judges, and Samoa Diplomats met with the Yazaki Group officials to celebrate the start of YES.



Chairman Yazaki's (then the President) greetings at the inauguration ceremony

Samoa adventure school

1996 to 2000

New employees stayed in a house without walls or shower in order to experience the same environment as YES employees, and to better understand the corporate policy of creating Wire harnesses manufacturing that will enrich Samoa.

(Total number of participants: 527)
Samoa adventure school



Yazaki Employees' Memoirs

VOICE

The foundation of the company

I didn't know where Samoa was until I received the order to transfer. However, I felt instantly charmed by Samoa when I went there. The country has a unique culture, and the sense of values is very different from Japan, but the Samoans welcomed Yazaki. I still clearly remember that all employees were proud of their jobs and delighted to work. The three and a half years that I served as the first president at YES were a precious period in my life.



Akihiro Kishida
YES First President

Since the foundation

I joined YES in 1993 and worked until today. YES emphasized high product quality necessary to stay ahead of global competition; however, there were employees who did not have such culture and felt confused as they had to change in mindset and attitudes. But, the company valued its employees and continued to focus on education. Although YES has been closed, I believe that the re-employment support training, provided to employees as their last training at YES, will be a great asset for their future.



David Oliver
VA'AI
General Manager,
YES

Foundation **Creation of business for Samoa**

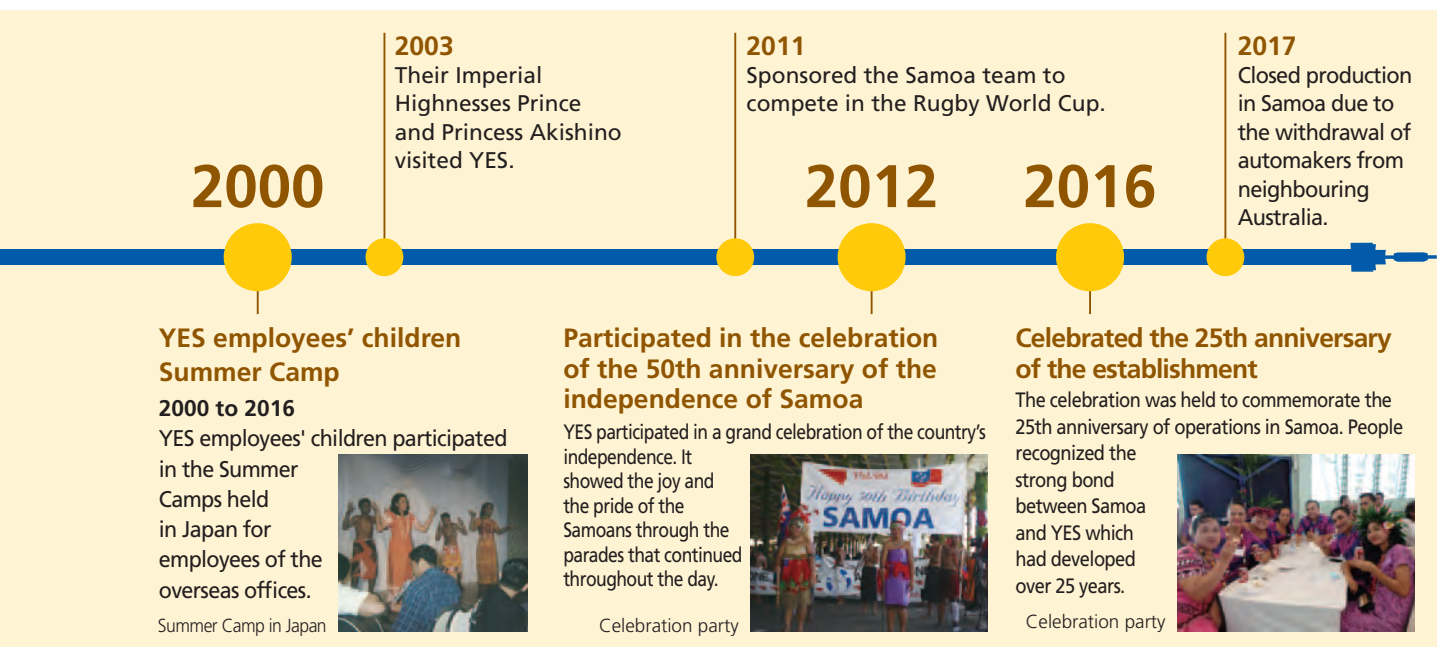
In Samoa, where many people led a traditional self-sufficient life, and there were no companies to handle industrial products, it was very difficult to get employees to understand the concepts of working in a company, product quality, and delivery time. When quality was emphasized, the deadline was not met. If the delivery time was emphasized, then some product defects came out. It must have been a great hardship for the employees, who worked for a company for the first time, to value both. However, the seconded Japanese employees worked hard to understand the Samoan culture, and the employees responded in their daily efforts. In addition, executives encouraged employee training to maintain a lively and pleasant workplace. These efforts led to the creation of the culture that could satisfy both product quality and delivery requirements.

Development **Contribution to Samoa society and economy**

YES created job opportunities for more than 40,000 people over the 25 years. These business activities became a stable source of income for the people and contributed to the improvement in the standards of living. We have employed and provided long-term career opportunities for women in Samoa, where the traditional culture, in which men are seen as bread-winners and women stay at home, remains. In addition, we contributed to environmental conservation activities, provided disaster response support, and conducted other community-based activities. We believe that our activities in Samoa contributed to the solution of local social challenges and overall sustainable development of this country.

The last contribution made by YES was re-employment support education, to enable the adaptation of employees to new professions, provided during six months leading up to the closure of business operations. We believe that the skills of YES employees will contribute to the overall improvement in the skill level of workers in Samoa.

The Yazaki Group will continue to contribute to the sustainable development of Samoa in a different way, including through creation of jobs and support for education.



Contributed to the development of Samoa

VOICE

Thanks to Samoa

YES has succeeded because it was supported by the spirit of the employees and the strong, trusting relationship with the Samoa government, customers, and suppliers. I would like to express my heartfelt appreciation to all of these parties. One of my best memories is the word of thanks to YES from the Prime Minister.

"Many companies promise but none have delivered like Yazaki"

We will continue to pursue a mission to contribute to a sustainable society in Samoa.



Craig O'Donohue
President, YES
Managing Director,
Australian Arrow
Pty. Ltd.

To all YES employees

Over 24 years, Betham Brothers Enterprises Ltd and YES have built relationships in which we became more like friends than partners. Most of the Samoan people are aware of the Yazaki brand. This is testament to the great contribution that YES has made in Samoa. We would like to thank YES and wish you all the best.

On reflection "when a door closes another door is always opened" so we know YES will always be around.



Fanene Mark
Betham
Managing Director,
Betham Brothers
Enterprises Ltd

The importance of



By virtue of your continuous support, we have managed to stay in business for seventy-six years passed since the time when our founding president Sadami Yazaki established this company out of a desire to contribute to society through manufacturing. We sincerely appreciate the support of our stakeholders without whom this could not have been possible.

Since the founding of the company, the business environment that surrounds the Yazaki Group has undergone a radical transformation. The scale of business, its segments, and the number of business operations have increased to such an extent that we hardly seem to be the same enterprise anymore. Nevertheless, the corporate policy that was first set by the founding president remains unchanged. In this report, allow me to express my thoughts on our corporate policy and reflect on the initiatives undertaken.

Yasuhiko Yazaki
Chairman, Yazaki Corporation

Revisiting the basics

We see that the world is once again undergoing dramatic changes. Perhaps it is for this reason that I cannot help but feel that the ability of people to accept each other's differences and work harmoniously is waning rapidly. I believe that in the end of the day, it will be of no use to anyone if we become like that.

The Yazaki Group has valued a corporate policy that compels us to strive to become "A Corporation in Step with the World" and "A Corporation Needed by Society". I would like to first stress that we will never waver from our commitment to this policy no matter how the environment in which we operate changes over time.

Building relationships of trust through dialog with the community

The Yazaki Group plans to set up plants in several countries that are typically considered developing countries. To date, we have been operating with the conviction that there is value in expanding our business to such regions, thereby creating jobs through the manufacture of wire harnesses, for which considerable manpower is required, and having as many people as possible perceive what it means to be motivated, assume responsibilities, and accomplish goals.

However, there are situations when one has no choice but to make the difficult decision to withdraw. The Yazaki Group has always sought to engage forthrightly with other parties in all situations until everyone is satisfied. "Come again!"—this phrase captures the essence of the unspoken culture, wherein every member of the Yazaki Group understands that we should tenaciously try our best to get the other party to tell us these words, whenever we withdraw or shut down a site. Nothing is more important to us in the relationship with local communities than consideration for the needs of our erstwhile colleagues and their continued

remaining true to the fundamentals

support for us even after our departure, regretful but sometimes unavoidable due to business reasons.

Let me introduce our Samoan activity* as a recent example. We produced wire harnesses in Samoa for twenty-six years, over the course of which we managed to grow significantly by working hard together with people from different culture and background for achieving common goals. Unfortunately, changes in the business environment led to the decision to close the plant in 2016. Since that time, as a short-term measure we have been providing training to help employees find new jobs, while in the long run we keep examining other support measures to enable Samoa to continue growing on a sustainable basis through dialog with employees and the Samoan government. While this is just one example, our desire to build and maintain relationships of trust with local communities and respect human rights never wavers regardless of the circumstances.

Developing human resources to ensure that our corporate policy is properly implemented

Our Corporate policy is ultimately inherited by employees. Having subscribed to this point of view, the Yazaki Group has since its founding prioritized the development of human resources. In particular, we have consistently sought to cultivate the ability of young people to think about others and the community rather than personal interests by directly exposing them to different cultures and letting them experience diversity first-hand. We believe that such efforts support not only the growth of individuals but also the continuity of our universal corporate policy for the sake of future generations.

One specific initiative is the Adventure School that we have operated continuously since 1993. This program provides opportunities for young employees to gain experience overseas, in unfamiliar environments where languages and cultures differ from their own. By rising to the challenges associated with an overseas experience,

employees are expected to develop the determination and other mental tools necessary to overcome adversity.

Another initiative is the Yazaki Summer Camp, held annually since 1977 for the children of employees. The Yazaki Summer Camp constitutes a setting for the education of children and the ideal means of cultivating employees. Young employees who volunteer to become instructors for children take a week off work to participate in domestic or overseas camps and exert their utmost efforts to help children gain valuable experience. It is not at all uncommon to hear of a child who once participated in such a camp grow up to work as an employee of the Yazaki Group. It is with just such examples that one can get a true sense of how our corporate policy is being passed down from one generation to the next.

While these two initiatives obviously differ from one another in the details, they are both considered important for cultivating global talent capable of promoting our efforts to become "A Corporation in Step with the World" and "A Corporation Needed by Society." We are convinced that employees who can independently face different problems, or act driven by the urge to help others, are the ones who can quickly adapt to any location and any environment in the world and keep our corporate policy alive for future generations.

We will continue to cultivate human resources capable of flourishing anywhere on earth with a desire to stay true to our corporate policy. I believe that this is the essence of the true societal contributions that we can make as a company.

We will continue soliciting feedback from our stakeholders and realize sustainable growth by meeting their expectations. On this note, I would like to express my appreciation to all of our stakeholders and ask for your continued support going forward.

* See pages 27-28 (Close Up, a look at Responsibilities to Local Communities: Twenty-six years with Samoa)

Environmental Management

Promote the environmental conservation activities of the entire group while sharing issues globally.

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.

(Article of No. 3)

Yazaki Global Environment Charter

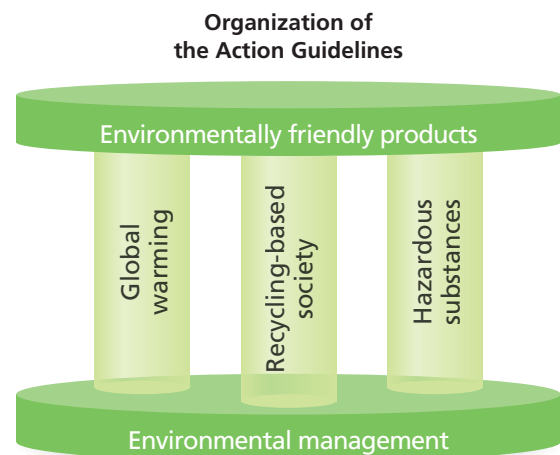
(Adopted in 1997; revised in 2002, 2006, and 2012)

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 the contribution of energy-saving product.
- 3. Promote the efficient use of resources towards the formation of a recycling-based society**
Utilize resources by promoting waste recycling and reduce discharges.
- 4. Manage and reduce environmentally hazardous substances**
Improve the management of environmentally hazardous substances in the products and the production process.
- 5. Develop environmentally friendly products**
Consider global warming, recycling, and environmentally hazardous substances when developing products.



Yazaki Environmental Plan (Results/Assessment of FY 2016 and Target for FY 2017)

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

Item	Target state or value	Target achievement year	Results of FY 2016	Evaluation	Target for FY 2017
Enhance environmental management					
Environmental Communication	Ensure that each factory holds stakeholder meetings and continuously reflects feedback from the meetings in their operations	—	Each factory has issued site reports and held stakeholder meetings	○	Each factory continues to issue the site reports and hold stakeholder meetings
Environmental Education	Ensure that environmental consciousness is well recognized by all employees and they voluntarily make environmental efforts	—	Both special and general educations were provided in each site and division	○	The special education will be provided in each site and division
Environmental Compliance	Ensure that a system is in place to identify and assure compliance with laws and regulations applicable to each site and that periodic compliance audits are conducted	—	- The audits have been conducted in each region based on the plan - No violation of the environmental laws and regulations	○	- SOC testing system will be maintained and controlled globally - Continuation of no violation of the environmental laws and regulations
	Ensure that the system is in place to comply with the legal and customer requirements of each country on chemical substances contained in products	2016	The common task flow has been prepared for IMDS data of Japan, Europe, and Americas	▲	The mechanism in Japan, Europe, and Americas will be standardized and a unified system will be introduced
Strengthening the environmental management in the supply chain	Ensure that the issues about the environmental management are shared with the suppliers and PDCA cycle is implemented	2020	The survey of the environmental management of the suppliers has been conducted	○	The Yazaki green procurement guidelines will be revised
Response to the revisions to ISO 14001 standard	Ensure that the structure is reviewed in light of the ISO 14001:2015 standard	2018	At 23 business offices, the shift to new standards has been completed	○	The system will be established on the basis of the responding plan for new standard, and an inspection will be conducted
Consideration and contribution to biodiversity	Ensure that the efforts for biodiversity are shared and the activities are continuously conducted according to the features of each region and business office	—	The activity cases were collected from each region (39 cases) and the information was shared globally	○	The activity cases in each region will be shared globally
Take action to prevent global warming					
Reduction of CO ₂ emissions	Ensure that CO ₂ emissions per unit is reduced by 20% from that of FY 2010 by FY 2020 globally	2020	CO ₂ emissions per unit has been reduced by 23.8% from that of FY 2010 globally	○	CO ₂ emissions per unit will be reduced by 17% from that of FY 2010
Promotion of using recyclable energy	Ensure that the efforts of using recyclable energy are shared and the activities are continued according to the features of each region and business office	—	The efforts made in each region have been collected and shared globally	○	The efforts in each region will be shared globally
Promote the efficient use of resources towards the formation of a recycling-based society					
Reduction of Waste	Ensure that reduction in the amount of waste is continuously promoted in each region	—	- The goals have been achieved in each region - The amount of waste has been reduced by 18.7% from that of FY 2010 in all domestic business offices	○	- The goal of each region will be achieved - All domestic business offices will keep the amount of reduction by 19.5% from that of FY 2010
Effective use of water resources and minimizing the impact	Ensure that water resources (quantity and quality) are effectively used in each region and the improvement activities are continuously conducted	—	The efforts of activities in each region have been collected and shared globally	○	The goal of each region will be achieved
Manage and reduce environmentally hazardous substances					
Respond to the European ELV directive and European RoHS directive	Strict compliance with Annex II of the EU ELV Directive	—	- The workability of alternate materials was assessed. - Contamination risk was identified and control points were set up	○	The contamination risk will be assessed in the supply chain
Respond to the REACH regulations and substances subject to authorization	Ensure that compliance with the regulations related to REACH is assured, and customer requirements are satisfied	2017	Specific phthalate esters have been replaced	▲	The compliance with laws and regulations and response to customer requirements will be continuously conducted
Respond to POPs treaty and Chemical Substance Control Law	Ensure the compliance and reliable response to customer requirements	2017	The investigation has been completed on the amount of parts and products containing Deca-BDE in the stock	○	The isolation condition of stored Deca-BDE containing products will be checked
Respond to VOC regulations of interior of Chinese vehicles	Ensure that the customer requirements about VOC of vehicle's interior are understood and clearly responded	2017	The mechanism for VOC assessment has been established for imported goods and local procurement goods	○	The items for assessment of the amount of VOCs will be added in the environmental management sheet
Respond to Biocidal Products Regulation (BPR) in Europe	Ensure that the mechanism for European BPR is established and each development division starts operating the mechanism	2016	The mechanism to check the regulation has been established and operated using the environmental management sheet in the development departments	○	—
Strengthening the management of chemicals in the supply chain	Ensure that the issues about the management of chemicals are shared with the suppliers and PDCA cycle is implemented	2019	The basic concepts have been established about the environmental guarantee other than testing	○	The environmental guarantee system will be reviewed in Japan and expanded to overseas
Reduction in VOC emissions (Business office)	Ensure that VOC emissions are reduced by 30% from those of FY 2000 at each factory	2020	VOC emissions have been reduced by 51.5% from that of FY 2000	○	VOC emissions will be reduced by 30% from that of FY 2000
Develop environmentally friendly products					
Promotion of environmentally friendly design	Ensure that the product development and design are conducted considering global warming, recycling of resources and hazardous substances	—	The number of environmentally conscious products approved based on the environmentally conscious product certificate regulations: 33 cases	○	The environmentally conscious design will be implemented based on the environmentally conscious product certificate regulations

Global Environmental Management

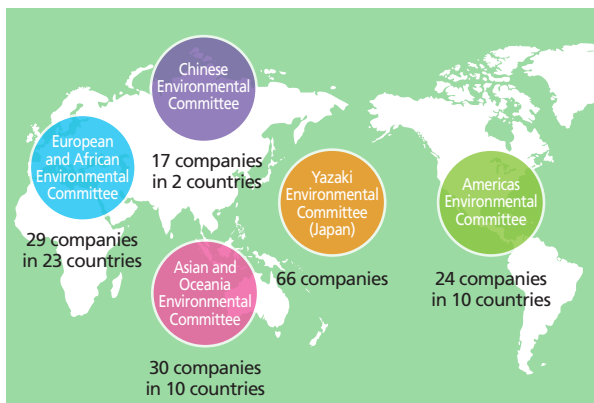
○ Environmental Management Promotion System

The Yazaki Group has established and operated the environmental management system globally so that we are sure to respond to the expectations and requirements for the environmental conservation from stakeholders all over the world.

We convene the Yazaki Environmental Committee in May every year. We discuss the domestic and global issues in this decision-making body for environmental management. In fiscal 2016, we reviewed the organization, such as appointing a quality control manager as chairman and changing the members so as to clarify the specific role of this committee.

The issues discussed at the Yazaki environmental committee are shared in the Global Conference on Environment with responsible persons for the environmental issues and persons in charge of actual environmental tasks worldwide, in order to coordinate solutions to the issues. Also, we divide the world business sites into five regions: Americas, Europe and Africa, China, Asia and Oceania, and Japan. We have established the environmental management system in which we consider the laws and regulations, culture, and customs in each region. In Japan, we established the Environment Product Design Assessment Committee and the Production Environment Committee to consider action policies to issues in each field, and we are considering the efforts of the company-wide in which all the relevant divisions and departments in the Environmental Information Committee can work together.

Regional Environmental Committees



Factory tour by the European Environmental Committee participants

○ To accomplish global challenges

In an effort to promote environmental conservation activities while encouraging inter-regional collaboration, key issues to be addressed globally, such as the mitigation of climate change and the management of chemicals, and their measures are shared and discussed in Global Conference on Environment. In fiscal 2016, we shared the understanding about the activities for the system integration about IMDS data, as well as the guarantee mechanism of specific phthalate esters, and examined the contents of activities.

FY 2016 Meeting Dates of Regional Environmental Committees

Region	Dates
Americas	August 9, 2016
Europe & Africa	May 9–11, 2017
China	First meeting: August 25–26, 2016 Second meeting: February 27–28, 2017
Asia & Oceania	First meeting: October 27, 2016 Second meeting: May 23, 2017
Japan	May 12, 2017
Global Conference on Environment	First meeting: July 13, 2016 Second meeting: January 18, 2017

○ Global Environmental Audit

The Yazaki Group has established and operated the environmental management system based on ISO 14001 in the business offices nationwide and worldwide.

Also, we implement periodic environmental audits in production sites, branch offices, and offices in Japan as well as the overseas production sites.

In fiscal 2016, we implemented audits in 85 sites in the Americas, 25 sites in Europe and Africa, 7 sites in Asia and Oceania, 6 sites in China, and 19 sites in Japan.

We shared the information on observations and opportunities for improvement indicated in the environmental audits in each Environmental Committee, which is used for improvement activities in other sites.



Environmental audits in China

Environmental Management in Japan

○ Biodiversity Conservation Efforts

The Yazaki Group promotes the efforts for the conservation of biodiversity, considering the culture and customs in each region.

As one of our efforts, Y-CITY and the Susono factory (located in Susono City, Shizuoka) participate in the planning of the water quality conservation committee of the Kano River system supervised by Susono City and Nagaizumicho (Shizuoka), and carry out environmental preservation activities. One of the committee's activities is to release *Amago* trout into the river every October.

In fiscal 2016, a total of 74 people joined this event from Susono city hall, local high schools, nursery schools, and companies in the city, and 16 employees of the Yazaki Group joined the event and contributed to the conservation activities of the ecosystem in the region.



Releasing *Amago* trout into the river People who joined the event

○ Environmental Education

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

Companywide training geared to management level

employees and persons assigned to overseas locations, is conducted to deepen their understanding of the significance of environmental conservation and share the Yazaki Group's environmental efforts with them.

We also conduct specialized environmental training geared to persons supervising and those in charge of specialized work with the aim of acquiring professional skills required for carrying out environment-related specialized work.

Number of employees participating in environmental training (FY 2016)

Category	Target	Participants
Companywide education training	New employees	135
	New leaders	85
	Newly appointed general managers	49
	Employees assigned overseas	105
	Subtotal	374
Specialized environmental training	Chemical substance management staff	7,368
	Environmental legislation administrators and staff	7,126
	ISO 14001:2015 Standards training	175
	Subtotal	14,669
Total		15,043



At the environmental training

Topics | Volunteer Forest Development event in Yusuhara Town, Kochi: Biodiversity conservation effort

The Yazaki Group has been promoting the Wood Biomass Regional Circulation Model Project in collaboration with Yusuhara Town in Kochi and the Yusuhara Town Forestry Cooperative since 2005.

As one of our efforts, we name Kujukumagari-toge in Yusuhara Town the Yazaki Forest, maintain the forest, and carry out forest development in collaboration with forest volunteers on April 29 (Showa Day) every year.

In fiscal 2016, a total of 118 employees participated in this event from the Yazaki Group. They learned about kinds and features of trees in the forest from the local forestry people. Afterwards, they rather awkwardly tried the thinning operation. They also

had a walk on the therapy road leading to the Yazaki Forest and improved their awareness of environmental conservation. Many participants stayed at the local farmers' houses on the previous night and became better acquainted with the people in Yusuhara Town.



Participants



Tree thinning

Prevention of Global Warming

To achieve the goals of a reduction in CO₂ emissions, we make a variety of efforts in the production and transport processes.

Energy saving activities in manufacturing affiliates and offices

The Yazaki Group has set the goal of reducing global CO₂ emission intensity by 20% from the fiscal 2010 level by fiscal 2020 and carries out energy-saving activities.

In fiscal 2016, we successfully reduced approximately 7,700 tons globally.

In the factories, the operation time of the facilities was reviewed, and the facilities were updated to an energy-saving type. In America, we introduced LED lighting utilizing the government support system. In the offices, we continuously encourage our employees to be more aware of saving energy by turning off the lights during lunchtime or breaks and introducing the PC ECO mode.

CO₂ emissions per unit of sales in fiscal 2016 were 36.7 tons-CO₂/100 million yen globally, which is 23.8% less than that of fiscal 2010, and 28.1 tons-CO₂/100 million yen in the domestic Yazaki Group, which is 9.9% less than that of fiscal 2010.

Contribution to reducing CO₂ emissions with our own products

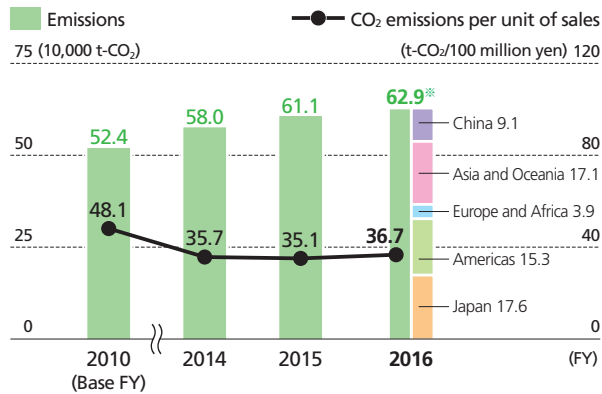
Solar equipment and air-conditioning appliances using wood pellets contribute to reducing CO₂ emissions. *The wood pellet-fired Bio-Aroace* is the world's first air-conditioning appliance that uses wood pellets for fuel based on the carbon neutral* concept. It reduces approximately 30 tons of CO₂ emissions per one appliance a year from the reduction in the consumption of fossil fuels.

Also, driving management is achieved by installing instrumentation devices, such as a digital tachograph on vehicles, which contributes to improving fuel saving effects as well as reducing CO₂ emissions.

The contribution to avoided emissions by these products was 110,000 tons in fiscal 2016, and a total of contribution to avoided emissions from fiscal 2011 reached 395,000 tons.

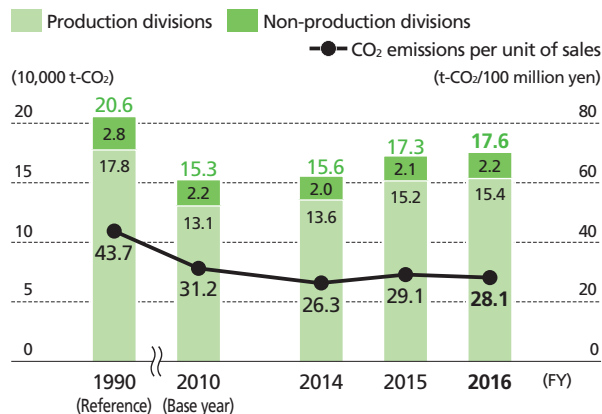
* Carbon neutral The condition in which the amount of CO₂ emitted by burning and decomposition is equal to the amount of CO₂ absorbed by trees and plants.

Change in CO₂ emissions (globally)



* The emissions of each region are rounded off to one decimal place, so they are not always the same as the total amount.

Change in CO₂ emissions (Japan)



Promotion of green logistics

Each company of the Yazaki Group continues to reduce the energy consumption per unit of transportation in accordance with the national guidelines.

CO₂ emissions from domestic logistics in fiscal 2016 was 19,000 tons, a reduction of 2.7% from the previous fiscal year, and CO₂ emissions per transportation amount (ton kilometer) was 129 g-CO₂/ton kilometer, a reduction of 5.6% from the previous fiscal year. The routes of transport trucks were reviewed, efficiency was improved by promoting consolidated cargoes, and the accuracy of data management was partly improved.

These efforts resulted in the manifestation of the effects. It is expected that energy-saving activities will be more difficult in the logistics division in the future. However, we will make efforts to contribute more to the environment.

Topics

Field Report

Protecting the global environment from worldwide sites

In 46 countries where the Yazaki Group has expanded business, all employees endeavor to carry out various environmental conservation activities.

We will introduce some creative activities.

Vietnam

New construction of environmentally conscious factory

Yazaki EDS Vietnam (YEV) constructed a new factory manufacturing automotive low-voltage cables in July 2017. We made the construction plan for this new factory by focusing on environmental awareness from the design stage.

We introduced a wire twisting machine with great energy-saving effects to the production facilities, which enabled a reduction of 682 tons of CO₂ emissions per year compared with previous facilities.

YEV is located in Ho Chi Minh City, which has a tropical monsoon climate with high temperatures throughout the year. In addition, heat is released from the production facilities. So, we needed to prevent temperature increases in the factory. We introduced a mechanism for ceiling ventilation that maximizes ventilation efficiency, and we also adopted natural lighting from skylights. As a result, we secured

enough light from natural lighting while preventing temperature increases in the factory. We successfully provided light and a comfortable working environment for employees.

This project was chosen as the business for the Joint Crediting Mechanism of the Ministry of the Environment and is expected to contribute to achieving the goals of a reduction in greenhouse gases in Japan and Vietnam.



Full view of new Vietnam electric wires factory

Romania

Launch of green electricity use

Yazaki Romania (YRL) is located in Ploiesti Industrial Park (PIP). At PIP, all electrical power is managed by the PIP administrator, and it has been depending on fossil fuels. YRL thought that this electric power generation greatly affected global warming and so has been negotiating with the PIP administrator to change the energy to green electricity generated from natural energy. As a result, we switched to green electricity in March 2017. Not only YRL but also 39 other companies in PIP are provided with green electricity. Through these efforts, YRL reduced 1,302 tons of CO₂ emissions a year, and all the companies in PIP reduced emissions per year by 18,690 tons of CO₂. We will expand this project to other factories in Romania.

The United States

Energy saving projects

America has a system in which the government supports companies that conduct energy-saving efforts. In this system, the government loans money for renovation work aiming at saving energy, and the companies repay the amount of the money saved from the reduction in electricity and heating bills to the government for a predetermined period. Yazaki North America Inc. (YNA) used this system and replaced 1,242 fluorescent lamps of 228W with 120 W LED lighting units in eight business offices in the northeast region of the United States. This enabled us to reduce the monthly average power consumption by 47% to 77,900 kWh.

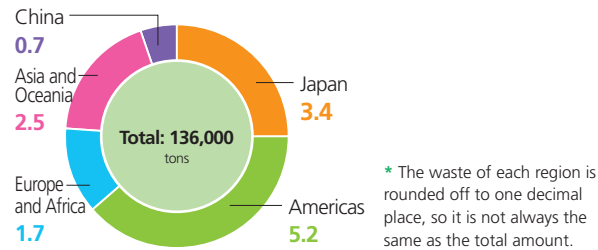
Recycling of Resources

Promote zero emission and contribute to creating the resource recycling society.

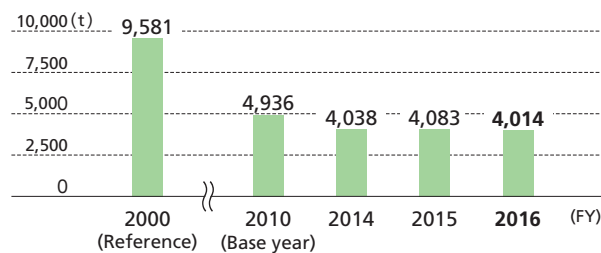
Activities of reducing waste

The amount of waste was 136,000 tons globally in fiscal 2016. We will promote waste reduction activities in consideration of the circumstances specific to each region. In the domestic Yazaki Group, the amount of waste was 4,014 tons, a reduction of 18.7% from that of fiscal 2010, after converting waste into valuable resources by sorting waste and changing contractors.

Waste by region (10,000 tons)



Change in the amount of waste (Japan)



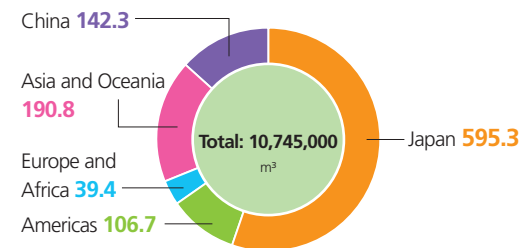
Efforts of water resource conservation

The Yazaki Group has been making efforts to reduce water consumption since fiscal 2003. Specifically, we reuse the cooling water in the facilities, prevent water leakage through regular maintenance of pipes and flowmeters, and provide educational opportunities where the employees learn about saving water.

Water consumption was 10.745 million m³ globally, an increase of 3.2% from that of the previous fiscal year. This was caused by the increase in production.

From fiscal 2016, the effective use of water resources and minimization of impact is added as an effort theme for Yazaki Environmental Plan, and we are promoting the activities more proactively.

Water consumption by region (10,000 m³)



Topics | Awareness-raising for employees through recycling

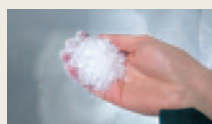
Promotion of recycling plastic

In YCT (Romania), approximately 443 tons of plastic were discarded as waste in a year, and one-third of the waste was acrylic resin.

Now, we process acrylic resin into pellets with a mill used for molding and sell the acrylic resin pellets to recycling contractors as recycling materials. Thus, we reduced approximately 79 tons of waste acrylic resin in a year. We will try to recycle waste plastic other than acrylic resin in the future.



Acrylic resin



Milled acrylic resin

Promotion of recycling wastewater

At JAI (Indonesia), a mosque (a place of worship) is placed for the Muslim employees in the business office. They use water for Wudu (cleansing) before prayers. When we monitored the water consumption of the business office, we found that a large amount of wastewater was used in the mosque.

In August 2016, we installed a water storage tank to reuse the water for Wudu to water plants. This effort resulted in a reduction of 1,000 liters of water consumption per day.



Sign of waste water recycling promotion

Management of Chemicals

We promote continuous improvement in air, water, and soil conservation not only based on thorough compliance with laws and regulations and the response to customer requirements but also based on social requirements and a long-term perspective.

Management of chemicals in the products

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

We are collecting information on the revision and enforcement of laws and regulations of each country and preparing to quickly respond to chemical substances that can be regulated in the future.

In fiscal 2016, we strengthened our systems for the ELV and RoHS regulations in each country and regularly collected the latest information on the relevant laws and regulations in response to changes in the environmental acts and shared the information with the relevant divisions and departments as well as with each Environmental Committee. We also surveyed the current conditions in each overseas region and organized a system for information sharing among regions.

Appropriate PCB Waste Disposal

The Yazaki Group in Japan promotes the appropriate storage, management, and detoxification of PCB waste in accordance with the Act on Special Measures concerning the Promotion of Proper Treatment of Polychlorinated Biphenyl (PCB)* Waste. At the sites storing PCB waste, we appointed managers of specially controlled industrial waste and make efforts to prevent loss, damage, or leakage by locking the storage, conducting regular inspections, and taking earthquake countermeasures.

In fiscal 2016, we outsourced the detoxification of PCB waste such as 25 transformers and condensers, and 210 stabilizers to the contractors and confirmed that the treatment was completed.

***Polychlorinated Biphenyl** It used to be used for various purposes, such as insulating oil for electric equipment, including transformers and condensers. However, the production or the import has been prohibited since 1975 as it was found to be harmful.

Reducing VOC emissions

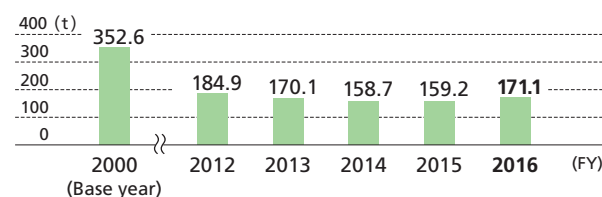
Volatile organic compounds (VOC) generate suspended particulate matter and photochemical oxidants that cause air pollution. The domestic Yazaki Group is striving to reduce the

emissions by improving the process where VOCs are used or designing the process that requires no VOCs so that we can achieve the goals that have been voluntarily set by our industrial group.

At the Shimada factory in Shizuoka, which manufactures automotive instruments, we reduced the gloss of molded products by applying emboss processing* to molds, thus we stopped applying the paint that was previously required. Also, we expanded vehicle models to apply this process and greatly reduced paint and cleaning solutions containing VOCs. At the Tenryu factory (Hamamatsu City, Shizuoka), VOC emissions in fiscal 2016 increased 16 tons compared with the previous fiscal year because of the increase in the production of gas meters. As a result, the total VOC emissions for the entire domestic Yazaki Group were 171.1 tons, which was a reduction of 51.5% from that of fiscal 2000.

***Emboss process** Producing fine raised or sunken patterns in a mold and transferring the patterns to the molded articles

VOC emissions



Management of chemical substances designated by PRTR (Pollutant Release and Transfer Register)

The domestic Yazaki Group submits reports on the release and transfer amounts of chemical substances designated by the PRTR law*¹ every year.

In fiscal 2016, six factories*² in Japan were subject to the PRTR Law. The total release amount of the designated chemical substances was 8,450 kg and the transfer amount was 3,070 kg.

***1 PRTR law** A regulation to grasp the emission of specific chemical substances released into the environment and to promotes improvements in the management of the substances.

***2 Business sites required to submit a report** Susono factory, Ohama factory, Shimada factory, Numazu factory, Fuji factory, and Tenryu factory (subsidiaries excluded)

Release and transfer amounts of PRTR-listed chemicals (kg)

Substance	Amount handled	Amount released					Release Total	Amount transferred			Total
		Air	Water Zone	Soil	Landfill			Sewer	Waste	Transfer Total	
1,2,4- trimethylbenzene	4,318	2,560	0	0	0	2,560	0	1,710	1,710	4,270	
Antimony and antimony compounds	15,451	0	0	0	0	0	0	0	0	0	
Xylene	3,820	2,800	0	0	0	2,800	0	130	130	2,930	
Toluene	4,967	3,090	0	0	0	3,090	0	790	790	3,880	
Nickel	3,060	0	0	0	0	0	0	0	0	0	
Nickel compounds	3,428	0	0	0	0	0	0	440	440	440	
Bis(1-methyl-1-phenylethyl) peroxide	2,297	0	0	0	0	0	0	0	0	0	
Bis(2-ethylhexyl) phthalate	5,117,742	0	0	0	0	0	0	0	0	0	
Lead	7,525	0	0	0	0	0	0	0	0	0	
Total	5,162,608	8,450	0	0	0	8,450	0	3,070	3,070	11,520	

Environmentally Friendly Design

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 established original certification standards regarding environmentally friendly design. All development divisions strive to reduce the environmental load related to the products from the design stage and increase the additional value of the products. In fiscal 2016, 33 products were certified as environmentally friendly products.

We will introduce some environmentally friendly products that were developed or launched in fiscal 2016.

Environmentally friendly products

○ Weight saving of the under-floor wire harnesses

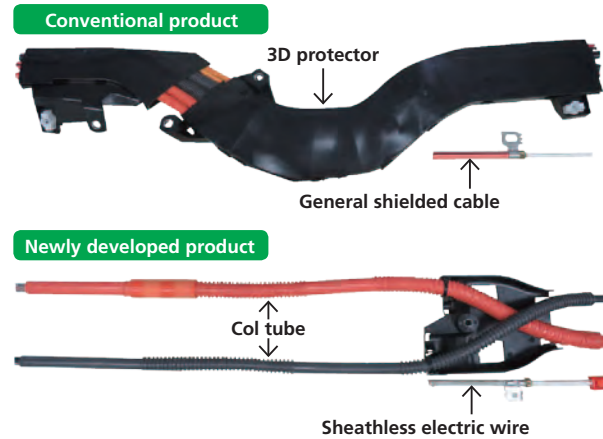
In order to realize further fuel consumption improvement and running performance of hybrid cars, weight reduction of the under-floor wire harnesses connecting the inverter and the high-voltage battery was required.

Therefore, we developed a *Sheathless electric wire* that eliminates the sheath portion (the outermost insulating layer) of the shielded electric wire used for the under-floor wire harnesses, greatly reducing the weight.

Also, as a countermeasure to vibration that is concerned by making sheathless, we have also worked on improving electric wire protection tubes and developed a partial flexible protective material *Col tube* combining a flexible bellows part and a wiring path straight part. Thus, we could reduce the number of protectors while maintaining the conventional durability.

By adopting these products, the under-floor wire

harnesses realized a weight saving (protection material part) of 47% compared with the conventional product and a miniaturization (protection material part) of 20%, which led to fuel consumption improvement.



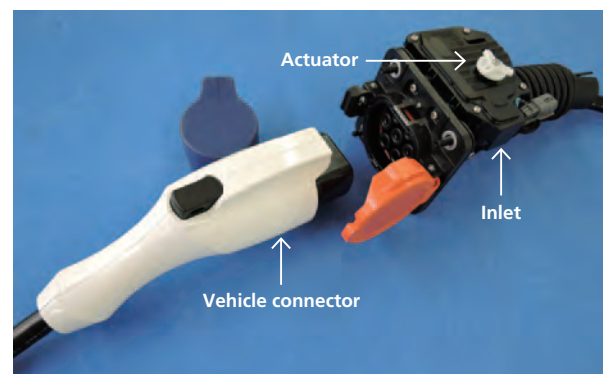
Composite technology of the Col tube and the *Sheathless electric wire* achieved weight saving in the under-floor wire harnesses.

○ Development of charging coupler for the Chinese market

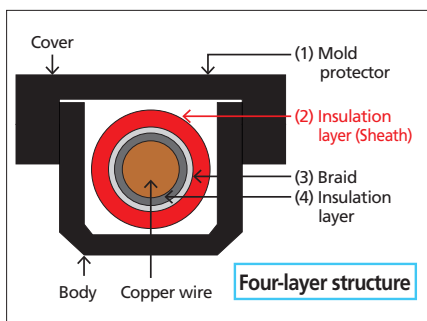
In China, the target for the diffusion of electric vehicles has been established as air pollution counter-measures. We expect the expansion of the demand for charging couplers with improved safety that are suitable for high voltage in electric vehicles.

Therefore, we developed a charging coupler with greater safety that complies with Chinese national standard GB/T.* An actuator is installed in a charging inlet so that the charging inlet cannot be removed during charging. This structure assures safety and contributes to preventing vehicle connectors from theft. Also, we improved the local parts procurement rate and successfully reduced CO₂ emissions associated with transport.

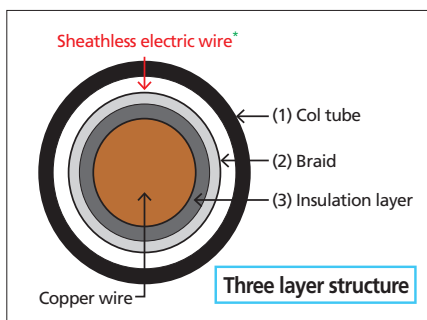
* GB/T Abbreviation of Guojia (nation), Biaozhun (standards), and Tuijian (recommendation) in Chinese.



AC charging coupler for the Chinese market



Conventional product
General shielded electric wire

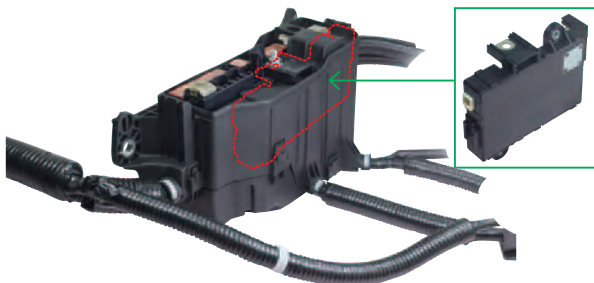


Newly developed product
Sheathless electric wire
* A sheathless electric wire includes (2) braid to (3) insulation layer, copper wire.

○ **Lightweight and small-sized relay unit for 2 Battery System**

In recent years, electronic control systems in vehicles have become increasingly advanced, but people are concerned about the impact on the important functions such as driving, stopping, and turning when the electric power source is lost. Therefore, the introduction of 2 Battery system, which activates the second battery as a backup power supply when the main battery fails, is increasing. This system requires a relay unit that instantly opens or closes energization between batteries in emergencies, and the size of the relay unit needs to be small.

Thus, we developed a light weighted and small-sized relay unit, which can instantly open or close high current, and adopted an original structure and shape. As a result, we successfully manufactured smaller, more lightweight units compared to other similar products. In addition, utilizing a contactless current sensor made it possible to reduce the heat generated at the time of detecting high current, which consequently reduces power loss.

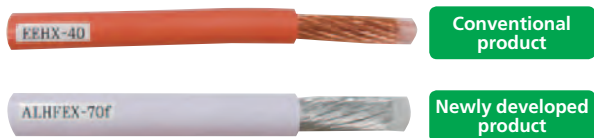


Bolt fastening both the FL block and the relay unit busbar directly eliminates the power line connecting the battery and the relay unit and realizes space saving.

○ **Development of 150°C heat-resistant large size aluminum cables**

The copper used for electric wires and electronic devices may be exhausted in the near future if we keep mining at the present pace. The weights of vehicles are increasing since they use increasing numbers of circuits for the electronics, which is a big issue for the automobile industry.

Therefore, we developed large size aluminum cables where the battery cables were changed from copper to aluminum for a lightweight effect, and we have successfully made the product approximately 33% lighter in weight than conventional products. Also, we achieved heat resistance to 150°C, which complies with the official standards and the standards of automobile manufacturers.



○ **Development of high performance taximeter Arofriend 27**

As car models for taxis are increasing, it is becoming more difficult to install conventional taximeters. Taximeters needed to have a shape and device structure that can be installed in any type of vehicle.

We reviewed the design of our taximeter and made it lighter in weight by 43% and thinner by 70% than conventional products, and our taximeter can be installed in any type of vehicle. In addition, we installed a digital tachograph that provides better driving safety. Idling time is easily checked and controlled, and thus advice is given about environmentally friendly driving.



New Arofriend 27 taximeter

営業分析	評価項目	実績値	目標値	評価	—— 実績値		目標値	
					営業評価	56 B	総合評価	78 B
安全分析	乗員乗客	151	150	D	安全評価 (全走行)	乗員乗客	151	D
	乗客乗車	2105	2000	C		乗客乗車	2105	C
	乗客乗降	36.7%	44%	D		乗客乗降	36.7%	D
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
	乗客乗降率	0.00%	0.00%	A		乗客乗降率	0.00%	A
安全評価 (実車)					95 A	安全評価 (空車)		
安全評価 (空車)					91 A			

Giving scores to sales conditions and safe driving conditions (with and without passengers) and showing the results in a chart

順位	乗客乗降	乗客乗降率 (%)	乗客乗降率 (100%)	乗客乗降率 (100%)	乗客乗降率 (100%)	乗客乗降率 (100%)	乗客乗降率 (100%)	乗客乗降率 (100%)
1	151	0.04	0.01	9.38	1.00	10.00	10.00	10.00
2	150	0.04	0.02	10.37	2.00	10.4	10.4	10.4
3	150	0.04	0.02	9.38	2.00	10.4	10.4	10.4
4	149	0.03	0.01	8.48	2.00	10.4	10.4	10.4
5	148	0.03	0.01	10.54	4.00	11.1	11.1	11.1
6	146	0.02	0.01	7.26	2.12	11.1	11.1	11.1
7	143	0.03	0.01	11.23	6.25	11.6	11.6	11.6
8	142	0.02	0.01	12.14	8.00	12.0	12.0	12.0
合計	1506	0.05	0.11	10.00	21.00	10.0	10.0	10.0

Idling management chart

Activities Contributing to Environmental Conservation

We conduct a variety of activities aimed at raising employee awareness of the environment and promote local environmental conservation in each region.

Activities at sites

○ Forest planting project, joining the first afforestation event

In March 2017, the employees of YCIC (China) participated in an afforestation event intended to solve the environmental problems of advancing desertification and air pollution in the northern parts of South China. This activity was carried out as a forest planting project sponsored by the Japanese Chamber of Commerce and Industry in China. Approximately 1,200 seedlings of cherry trees and flowering peach trees were planted in Zhuozhou City, Hebei. It was a great opportunity for our employees to show gratitude for the blessings of nature and realize once again the importance of attitude to cherish nature.



Afforestation event

○ Participate in the removal work of illegally dumped waste

The employees of the Washizu branch factory (Kosai city, Shizuoka) of the Makinohara factory, Yazaki Parts Co., Ltd., participated in the removal of illegally dumped waste sponsored by the Shizuoka Industrial Waste Association. This activity helps to prevent illegal dumping by cleaning the locations that have a large volume of illegally dumped waste. The companies in western Shizuoka, industrial waste disposal contractors, and local residents' associations participated in this activity. The participants from the Yazaki Group were responsible for sorting approximately 2.7 tons of collected waste. We will continue to participate in these local activities and prevent illegal waste dumping.



Removing waste

○ Improve the water quality of canals

Stench from polluted canal water may be hazardous to people's health, so the water quality must be improved. In TYE (Thailand), the employees made approximately 1,000 dumplings containing microbes that purify the water, and threw them into the canal near the business office.



Employees making dumplings

○ Recycling waste cooking oil

At the Niimi factory (Niimi city, Okayama) of Yazaki Parts Co., Ltd., the employees have been collecting waste cooking oil from their homes and selling it to recycling contractors since fiscal 2011. The collected waste cooking oil is recycled and used as fuel for heavy equipment. The number of employees who participated in this activity is increasing every year, and they collected approximately 260 liters of waste cooking oil in fiscal 2016. The money gained through this activity is used to purchase gifts that they bring to welfare facilities. In fiscal 2016, they donated tissue paper to the Nagomi no Sato Kanaya nursing home for elderly people.



Donated tissue paper

○ Reuse drain from air conditioners

People in Morocco experience chronic water shortages, so we actively save the precious resource, water, and try to reuse water. At YMK (Morocco), we secure drains* from air-conditioning equipment as a water resource and promote its reuse. Through this effort, approximately 20,800 liters of water was stored for a year. The stored water is used for cleaning or watering plants. Also, it is used for replenishing the water for batteries, which saved us from buying 1,000 liters of pure water per year.

* Drain Condensate water that is produced when water vapor in the air lose heat



Replenishing water for batteries



Employees cleaning with stored water



Mr. Satoshi Chikami

Executive officer, Professor in the Faculty of International Welfare Development, Nihon Fukushi University

Chairperson, Environmental Partnership Office Chubu, Ministry of the Environment

[Areas of Specialization] His areas of specialization include regional environmental planning, environmental learning, and education for sustainable development (ESD). He conducts empirical research on sustainable development while integrating the approaches of natural science and social science. In Japan, he helps promote participatory regional development and collaborative urban development among citizens, businesses, and local governments, whereas he conducts field-oriented surveys and research on the development of a sustainable society overseas centering on the developing regions in Asia.

This report was first issued as a CSR report in fiscal 2017. The ways that the Yazaki Group can help build a sustainable society according to clear policies and ideas outlined by top management executives are summarized in an easy-to-understand manner.

Showcasing the Yazaki Group CSR policy (pages 9-10)

The Yazaki Group presents social responsibilities and contributions through the five key pillars—customers, business partners, employees, local and global communities, and the global environment—in accordance with its CSR policy. The key pillars can be seen as an expression of the Group's desire to define and promote an integrated and sustainable business administration and its contributions to local communities within an expansive framework. Through this report, the Yazaki Group introduces numerous projects tied to environmental conservation and revitalization as undertaken by the Group companies in different locations worldwide. Such exceptional projects help to conserve the global environment and constitute important contributions to the local communities. Perhaps it is possible to emphasize in its CSR policy that projects encompassing multiple pillars are being carried out.

Remembering the value of proactive innovations and the founding principles

Message from the President (pages 7-8) clearly alludes to two different points: that the Yazaki Group is engaged in constant efforts to innovate in response to the expected emergence of automobiles equipped with the IoT, AI, and other forms of information technology in the near future and that the Yazaki Group will promote its business without losing sight of the principles upon which the Yazaki Group was founded as a manufacturing company. Even as the Yazaki Group continues to treat wire harnesses as a product for which the Yazaki Group enjoys a commanding lead in terms of global market share, a commitment to focusing on the future without forgetting its founding principles will be an important key to guaranteeing sustainability as the Yazaki Group deploys a broad range of activities tying together automobiles, lives, and society, such as those involving instrumentation and energy (pages 5-6).

Clarifying its responsibilities to local communities (pages 27-28)

The withdrawal of its business, which began in 1991, from Samoa and its efforts to make societal contributions in connection with this withdrawal are featured in Close Up. While the closure of the production plant may be unavoidable because of the changes in the socioeconomic environment, it is noteworthy that this issue was dealt with in a frank manner in its CSR Report. Message from the Chairman (pages 29-30) states that the Yazaki Group has a culture that encourages the Group

to respectfully have the other party invite it back again someday, even when the company shut down operations at a particular location. The Yazaki Group can be proud of the job training it provided to employees over the years in Samoa, in particular in support of long-term career development for women, and the education provided to support re-employment prospects after the decision to withdraw represents concrete examples of adherence to a corporate policy where the Yazaki Group strives to become "A Corporation in Step with the World" and "A Corporation Needed by Society".

Deploying businesses for the resolution of local issues

Yawaraka cable is covered in Close Up (pages 17-18). The value to society corresponds to certain societal issues, such as a product development perspective and the added value obtained when comparisons are made with conventional products. This can be seen as a direct manifestation of the creating shared value concept in solving community issues through the expansion of corporate activities. The Yazaki Group has proactively sought to establish new business tied to the resolution of community issues in response to changes in the business environment. The Yazaki Group also believes, however, that it would be meaningful to present the value of business in line with the idea that Creating Shared Value.

Making steady progress in terms of global environmental management

That the Yazaki Group has already managed to attain the targets for most of the items in the Yazaki Environmental Plan (page 32) is exceptional. In particular, the Yazaki Group has already reduced CO₂ emissions for fiscal 2020 by 23.8 percent (over fiscal 2010). (The initial target called for a 20 percent reduction.) This can rightfully be seen as a significant achievement resulting from its efforts for environmental management on a global scale. As is shown in Topics (pages 36-37), in addition to initiatives by domestic production plants, the Yazaki Group has accelerated the environmental initiatives of each overseas corporation and recognizes that unique initiatives are being undertaken as befits the circumstances in a given country. In addition, many internally certified products are being introduced each year as environmentally friendly products (pages 39-40) to help achieve large reductions in CO₂ emissions relative to conventional products. It is important that customers recognize that reductions in CO₂ emissions are being achieved in this manner.

Conclusion

First conceived as an environment report in fiscal 2002, this booklet became the Social & Environmental Report in fiscal 2003. This report subsequently evolved into the CSR Report in 2017. The Yazaki Group strongly expect to continue to grow as a company that remains firmly accountable to society.

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