The Yazaki Group's CSR Focus

Up to this point, the Yazaki Group has been steadily carrying out CSR activities while striving to embody our CSR Policy. Going forward, in order to contribute to the realization of a sustainable society, we will identify social issues that should be addressed as a priority issues throughout the Yazaki Group's business activities from a broad, long-term perspective. While concentrating our management resources toward the resolution of these social issues, we will work on the following areas based on the awareness that we need to practice CSR more actively.

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.

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.

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.
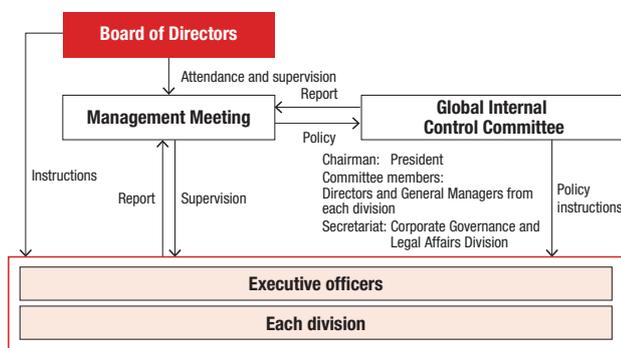
Employees

- 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.

Organizational Structure to Ensure CSR Promotion

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

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

Diagram of Organizational Structure to Ensure CSR Promotion

Code of Conduct

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

The Yazaki Group in Japan has published the Code of Conduct Handbook, which combines the CSR Policy, code of conduct, and information on various consultation hotlines into one volume, and has distributed it to all employees, including those at subsidiaries. We have also produced localized versions for our overseas subsidiaries based on the Code of Conduct, which takes account of laws and regulations and customs in each country and region, and the regulations in each Yazaki workplace.

We engage in dialogue with some of our subsidiaries that have their own codes of conduct to share the standards of behavior that Yazaki employees should observe.

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

Various national editions of the Code of Conduct Handbook

Relationships with Stakeholders

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

Stakeholders	Examples of opportunities for dialogue
Customers	• Sales initiatives • Customer satisfaction surveys
Local and global communities	• Yazaki Summer Camp • Support to develop the next generation (study support, etc.) • Stakeholder meetings
Global environment	• Environmental education • Biodiversity conservation efforts
Business partners	• Global Suppliers Convention • *Yaei-kai* • Business partner briefings
Employees	• Labor affairs review committee • Employee satisfaction surveys • *Yazaki-juku* • Yazaki Corporate Culture Training

Contributing to SDGs

While recognizing that we are a corporation that operates businesses in various countries around the world, the Yazaki Group will contribute to the realization of the SDGs (Sustainable Development Goals).*

In fiscal 2018, we considered the SDGs when we identified priority issues. We identified the positive and negative impacts of Yazaki Group businesses and studied the business domains in which we have the potential to contribute through our business activities.

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

Yazaki Group Priority Issues for Promoting CSR

An enterprise's environmental and social initiatives have a greater and greater impact on its corporate value and its trade every year. Thus, the Yazaki Group believes it is important to determine and manage the impact that the external environment has on the enterprise and the impact that the enterprise's business activities have on society. As such, we have identified priority issues for promoting CSR (below, "priority issues"). In the process, we listened to opinions from experts and designed our priority issues to strike a balance between solving social issues and ensuring the sustained growth of the Yazaki Group.

Priority Issues Identification Process

STEP 1

Understand and recognize CSR and draw up a list of issues

- We shared the background to identifying priority issues and initiatives to promote CSR with CSR Liaison Meeting members to deepen their understanding of CSR.
- We made a list of social issues from such sources as international CSR standards (GRI, SDGs, ISO 26000), relevant criteria (e.g., the Keidanren Charter of Corporate Behavior), and customer hopes and expectations.

STEP 2

Identify priority issues (draft)

- Divisions concerned evaluated each of the issues by two measures: its importance to stakeholders, and its importance to the Yazaki Group. A matrix was set up based on that evaluation to identify issues of high priority.
- Issues were shared with CSR Liaison Meeting members and evaluated for validity, then priority issues (draft) with 23 items were tentatively decided.
- We identified the positive and negative impacts of Yazaki Group businesses in relation to the 23 items and studied the business domains in which we have the potential to contribute to the SDGs through our business activities.

Priority issues (draft) with 23 items

Importance to stakeholders — High

Importance to the Yazaki Group — High

STEP 3

Validity evaluation
- Outside experts evaluated the validity of the priority issues (draft).

After much company-wide discussion and consideration, the Yazaki Group identified six priority issues as measured by their importance to the company and their importance to stakeholders. I can confidently say that all six are valid because each is an important issue within and beyond Yazaki's corporate activities.

"Offer solutions to increase society's prosperity" is a real example of the Yazaki character. Even when Yazaki alters the nature of its business in response to changes in the economic environment, it always thinks of the local community first. It has long contributed to solving the local community's issues through its business. Moreover, it is in Yazaki's character to think always of the happiness of everyone connected to the company, and that leads naturally to "Contribute to development of local communities." These two priority issues are fundamental. In that sense, perhaps "Contribute to development of local communities" should have been expressed in a way that better visualizes the nature of the problem. "Strengthen the global environmental management system" seems to overlap with another priority issue, "Build healthy and solid supply chains." It might be a good idea to consider how you lay out these priority issues.

Going forward, I encourage you to reassess the significance of the CSR activities you undertake based on the priority issues you have established. I also hope you will keep up active communication with your stakeholders in light of the priority issues.

Satoshi Chikami

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Nihon Fukushi
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STEP 4

Identify priority issues

● With approval from executive management at an August 2019 Management Meeting, the six fields (23 items) were established as the Yazaki Group's priority issues.

The Identified Priority Issues

SDGs to which we can contribute

Offer solutions to increase society's prosperity	● Provide safe, high-quality products and services ● Promote open innovation ● Solve social issues through our business	
Build healthy and solid supply chains	● Promote CSR Procurement ● Respect human rights	
Establish a truly strong organization	● Promote diversity ● Promote efficient work styles ● Increase employee satisfaction ● Develop the next generation of human resources ● Respect human rights ● Promote health management and strengthen occupational health and safety	
Contribute to development of local communities	● Contribute to development of local communities	
Strengthen the global environmental management system	● Strengthen the global environmental management system ● Prevent pollution ● Conserve biodiversity ● Closely manage harmful chemicals ● Mitigate and adapt to climate change ● Use resources effectively ● Respond to water problems	
Enhance global governance and internal control	● Ensure management soundness, efficiency, and transparency ● Strengthen risk management and BCM ● Practice thorough compliance ● Prevent all forms of corruption ● Foster the corporate culture	

Looking Ahead

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