

YAZAKI GROUP

SUSTAINABILITY REPORT

2023

Contents

1	Contents / Report Outline
2	Corporate Policy / Fundamental Management Policy / Yazaki Spirit
3	Message from the President
5	History of the Yazaki Group
7	Snapshot of the Yazaki Group
9	The Yazaki Group's Business and Products
11	Value Creation Process
13	Special Feature Central America— Alongside Guatemala's people and society
19	The Yazaki Group's CSR for sustainability management

Priority Issue

23	Offer solutions to increase society's prosperity
24	Messages from the heads of our businesses
25	Provide safe, high-quality products and services
27	Resolve social issues through our business
30	Promote open innovation

Priority Issue

31	Build healthy and solid supply chains
32	Promote CSR procurement

Priority Issue

34	Establish a truly strong organization
35	Promote DE&I
36	Improve job satisfaction
37	Develop the next generation of human resources
39	Foster the corporate culture
39	Promote health management
42	Strengthen occupational health and safety

Priority Issue

44	Contribute to development of local communities
45	Contribute to development of local communities

Priority Issue

46	Strengthen the global environmental management system
47	Enhance environmental management
50	Mitigate and adapt to climate change
53	Prevent pollution
53	Conserve biodiversity
54	Closely manage harmful chemicals
55	Formation of a recycling-based society
57	Water resource response
58	Environmentally friendly design

Priority Issue

59	Enhance global governance and internal control
60	Ensure management soundness, efficiency, and transparency
62	Strengthen risk management and BCM
63	Promote information security
64	Practice thorough compliance
65	Prevent all forms of corruption
66	Respect human rights

68	ESG Data
71	Selected global sustainability initiatives
77	Message from the Honorary Chairman
78	Third-party Opinion

Report Outline

Editorial policy

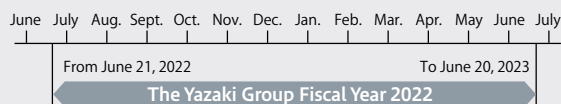
Since fiscal year 2002, the Yazaki Group has continuously published a CSR Report* for the purposes of disclosing information on company activities undertaken to achieve a sustainable society and raising awareness among its employees. We have decided to rename the report and publish it as the Sustainability Report from fiscal year 2022. This report provides information on the initiatives undertaken and results obtained over the past year by the Yazaki Group in line with priority sustainability issues, which were revised in fiscal year 2022 and affect our five key stakeholders—customers, local and global communities, the global environment, business partners, and employees—in accordance with our CSR Policy. We hope that this report will help to deepen understanding of the CSR and sustainability activities carried out by the Yazaki Group.

* Published as an Environmental Report in fiscal year 2002 and as a Social & Environmental Report between fiscal years 2003 and 2016

Reporting period

This report conveys the details of activities carried out by the Yazaki Group in fiscal year 2022* (June 21, 2022, to June 20, 2023).

* Clarification will be provided when reporting periods differ.



Note: The Yazaki Group's fiscal year extends from June 21 of a given calendar year to June 20 of the following calendar year.

Organizations covered

Yazaki Corporation and consolidated companies in Japan and overseas

A Corporation in Step with the World

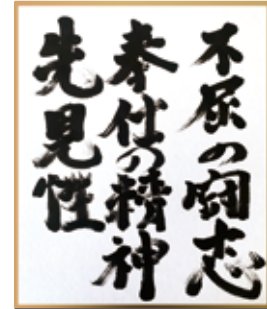
A Corporation Needed by Society

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.

Yazaki Spirit



Foresight Service Mind Fortitude

The dreams and principles of our founder, as well as the thinking and spirit of many of those who came before us—those who inherited their legacy and proceeded to lay the foundation for the Yazaki Group—have been consolidated into three points that have been passed down as part of the backbone of employees of this group.

Reporting cycle

Published annually

Guidelines consulted

Global Reporting Initiative (GRI) Standards

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.

CSR Communication Book

We published the CSR Communication Book in November 2020. It provides information on our ideas and values toward the promotion of CSR, as well as our business and initiatives based on these ideas and values.



Website

The PDF version of this report, the GRI Standards Comparison Table, and other information on CSR and sustainability are available on our website.

Please visit the website together with this report.

[| WEB | Yazaki Group's CSR](https://www.yazaki-group.com/en/csr/)
https://www.yazaki-group.com/en/csr/



[| WEB | CSR Communication Book](https://www.yazaki-group.com/file/csr-communication_01_1.pdf)
https://www.yazaki-group.com/file/csr-communication_01_1.pdf





Message from the President

Leveraging our strengths to provide the value that customers and society need in a way that is uniquely Yazaki

President
Yazaki Corporation

Riku Yazaki

Increasing Engagement by Ensuring Psychological Safety and Encouraging Communication

Over the course of its 82-year history, the Yazaki Group (hereinafter “Yazaki”) has grown in step with the changing times, transforming not only its businesses but also its organization, systems, and operations. Nevertheless, we now once again face an era of great transformation, and I feel that some aspects of the values of our employees and society, and our company structure, are becoming less in tune with the times. Whether it is in terms of gender, age, nationality, or other characteristics, Yazaki has a highly diverse team of employees. However, to leverage this diversity as a strength and realize sustainable growth, it is critical that we deepen relationships between our organization and employees to increase engagement. To achieve this, I believe we must start by increasing the psychological safety of employees at workplaces and encouraging communication. With this in mind, I have worked to create an environment that supports open communication since my appointment as president in 2022.

Harnessing Our Core Competence to Benefit Customers Providing Value That Society Needs

The automobile industry has reached an age of great transformation. Change is accelerating in a multitude of

ways, as seen in the transition from internal combustion vehicles to electric vehicles (xEVs), the evolution of technologies such as autonomous cars and connected cars, the shift from distributed to centralized control for electronic control units (ECUs), and the enhancement of features through software.

In our core business of wire harnesses, we are working to adapt to such changes. Wire harnesses, which are indispensable for the transmission of electricity and signals, are expected to become even more important in the future, and demand is predicted to continue to grow, particularly for high-voltage products. As a company with a strong track record and expertise in the development and manufacture of high-voltage wire harnesses, components, and systems, Yazaki will proactively engage in product development to align its wire harness business with the growing xEV market in order to steadily meet strong customer demands for electrification.

Yazaki provides solutions based on the keyword of “connecting” (see pages 9 and 10). While leveraging our core competence in our existing businesses as well as new business domains such as mobility and smart cities, we will further utilize software, AI, and DX to provide what customers and society need.

Accelerating Sustainability Management Initiatives

Coexistence with society is indispensable for the sustainable expansion and growth of our business. Our purpose is to continuously provide value that benefits society, which can only be achieved by first thoroughly understanding the expectations and challenges of diverse stakeholders, such as customers, business partners, local communities, and employees.

To realize our Corporate Policy of “A Corporation in Step with the World,” and “A Corporation Needed by Society,” we have continued to promote corporate social responsibility (CSR) initiatives in our business development with the aim of contributing to society through *monozukuri* (craftsmanship). We are now also expanding our perspective beyond CSR, shifting to sustainability management to respond to recent demands that corporations take more proactive steps toward resolving serious environmental and social issues, such as by contributing to the achievement of the SDGs. Accordingly, this year’s report has been named the Sustainability Report.

Currently, we are formulating a sustainability story that illustrates Yazaki’s value creation process for the realization of a sustainable society, and we intend to revise our CSR Policy from the perspective of sustainability in fiscal year 2023.

In addition, to establish a foundation for the promotion of sustainability management, we are working to strengthen the Group’s governance, enhance our internal control systems, and expand information disclosures.

The special feature in this report focuses on our new site in Guatemala to demonstrate sustainability management in practice. We selected Guatemala as a new business site for a variety of reasons. In addition to its economic feasibility and advantages from a business continuity plan (BCP) perspective in terms of manufacturing site diversification, it presented an opportunity for us to deliver value in a uniquely Yazaki way, such as by energizing the local economy and helping to resolve immigration issues through the creation of employment.

Strengthening our Response to Climate Change and Other Environmental Issues

We are now in a time where initiatives for addressing environmental issues are assessed across the entire supply chain, and efforts toward environmental impact reduction and decarbonization are becoming directly linked to business survival.

To accelerate the achievement of carbon neutrality by 2050, we have raised our 2030 CO₂ emissions reduction target (Scope 1 and 2) from 36% to 39% compared to fiscal year 2017. To achieve this new target, we will reduce manufacturing energy consumption by expanding renewable energy use, introducing highly efficient equipment, and increasing productivity. To realize carbon neutrality by 2050, we will

introduce new technologies, including those for the use of next-generation energy, such as hydrogen and ammonia.

We will also continue to proactively develop materials and environmentally friendly products and services that contribute to reducing CO₂.

Fostering People Who Can Harness Diversity to Create New Value

At Yazaki, our people are our greatest asset. Regardless of what we aim to do, it always starts with fostering human resources.

As the times have changed, we have shifted from a *monozukuri* approach based on simply making products and selling them to an approach focused on how we can provide the value that customers need. For this, not only must we implement reskilling to develop human resources who can think flexibly but we must also establish an organization and systems that enable us to take advantage of such talent.

At the beginning of this message, I touched upon our diversity being one of Yazaki’s strengths.

To expand our business globally, accept and respect the individuality and values of the employees who work at our sites across 46 countries and regions, and leverage this diversity in our organization, we are developing training systems that allow employees to acquire common values and necessary skills, putting in place a framework for creating new value from diversity.

A Company That Contributes to the Happiness of Stakeholders

My aim is to make Yazaki a company that truly contributes to the happiness of stakeholders.

Nothing fulfills us more than having stakeholders throughout the world want to work alongside us, and at the same time, having customers use and cherish our products and services. With this as our goal, I will strive to ensure our employees work sincerely to realize our Corporate Policy and continue to provide value that benefits customers and society. This, in turn, will bring happiness to all stakeholders, including not only the employees themselves but also customers, communities, and business partners.

We would like to thank all of our stakeholders for their continued understanding and support of the Yazaki Group.

History of the Yazaki Group

Realizing a more sustainable world alongside society and communities

1924

- On May 27, then 15-year-old Sadami Yazaki, Yazaki's future founder, travels from Nakasu Village in Nagano Prefecture's Suwa District (currently Nakasu, Suwa City) to Tokyo, where he is hired by Morita Shokai, a trading company, in Nihonbashi.

1929

- Founder Sadami Yazaki establishes Mitsuya Electric Wire as a one-man business and begins selling wire harnesses for automobiles.

1938

- Sadami establishes Yazaki Densen Eigyo-bu as a joint stock company.

1939

- The Oku Factory is established in Arakawa Ward, Tokyo, and begins manufacturing general electrical wires and wire harnesses.



Beginning with the manufacture and sale of wire harnesses for automobiles, the Yazaki Group has grown to operate a wide range of businesses spanning automobile parts, electric wires, instrumentation equipment, gas equipment, air-conditioning and solar-heat equipment, as well as nursing care, agriculture, and environmental recycling.

1960

- TCO-8, Japan's first tachograph, goes on the market.



1961

- Production of wooden drums and vinyl tape and processing of scrap wire begins.

1962

- Thai Yazaki Electric Wire Co., Ltd. is established in Bangkok, Thailand.

1963

- Yazaki Electric Wire Industries Co., Ltd. changes its name to Yazaki Corporation. The company's manufacturing division is spun off as Yazaki Electric Wire Co., Ltd.
- Sales of LP10, Japan's first LP gas meter, begin.

1920–1959

In step with the development of Japan's motorization

1941

- Yazaki Electric Wire Industries Co., Ltd. is established and absorbs Yazaki Densen Eigyo-bu.

1949

- Sales of Japan's first vinyl electric wire for automobiles begin.

1950

- The automobile meter manufacturing division of Toyo Tokei is split off and established as Nihon Jidosha Keiki K.K. in Shibaura, Tokyo, where it begins manufacturing meters.

1957

- Japan's first rotary "Thomas" furnace is installed in the Numazu Factory.



1959

- Yazaki Parts Co., Ltd. is established.
- Nihon Jidosha Keiki K.K. changes its name to Yazaki Meter Co., Ltd.

1960–1989

Accelerating globalization

1964

- Yazaki Resources Co., Ltd. is established.
- Fuji High School, a correspondence education program, is launched with Tamagawa Academy (continued until 1973).



1967

- Sales of taxi meters begin.

1970

- Sales of Aroace absorption chiller-heaters begin.

1974

- Second-generation president Yasuhiko Yazaki is appointed.

1977

- First Summer Camp in Japan is held.

1982

- Yazaki Memorial Foundation for Science and Technology is established.
- Referred student scheme for Toyota Technological Institute begins.

Recovery from World War II: Supporting Japan's automotive industry

The Oku Factory was destroyed in a fire caused by air strikes in World War II. With our business in jeopardy, we refocused on our core business of wire harnesses, importing a rotary "Thomas" furnace from Germany to achieve mass production with higher quality. The unwavering efforts of our predecessors supported Japan's automotive industry as it transitioned from recovery to prosperity. Even now,

with the automotive sector in an era of once-in-a-century transformation, our wire harnesses, which transmit signals and information, are indispensable parts in the evolution of mobility. Together with our partners that rely on our wire harnesses, the Yazaki Group will continue to support the mobility industry in this new era.

Episode 1 From 1957



Episode 2 From 1962

Yazaki aspires to expand into countries and regions where industry and jobs are lacking

In 1962, we established Thai Yazaki Electric Wire Co., Ltd., our first overseas business site. At the opening ceremony, our founding president Sadami Yazaki stated that “our earnest desire is to make a significant contribution to Thailand’s economy and industry and to serve as a bridge for friendship between Japan and Thailand.” The Yazaki Group’s expansion into regions lacking industry and jobs is based on

our commitment to enriching those areas and the lives of employees and their family members. Since 1962, we have created more than 200,000 jobs in over 40 countries and regions. We also established the Yazaki Kizuna Foundation upon ceasing our operations in Samoa in 2017. By providing support for education and business, it contributes to community development and exchange with Japan.



1993

- First F.I.A. Adventure School Program is held.



1995

- Production of world’s first analog virtual image display begins.

1996

- Agricultural business is launched.

1998

- Y-CITY is opened in Susono City, Shizuoka Prefecture, centralizing headquarters functions.

1999

- Sales of *DTG1*, the industry’s first digital tachograph, begin.

2002

- Third-generation president Shinji Yazaki is appointed.

2010

- Sales of *Eco Cute Solar Heat*, jointly developed with TEPCO and Denso, begin.
- Sales of *Yawaraka* wire and cable series for 600 V begin.

2012

- Yazaki Energy System Corporation is established.
- Monozukuri Center opens in Makinohara City, Shizuoka Prefecture.
- Sales of the industry’s first portable LP gas-powered generator system begin.



2014

- Yazaki, Toyota Motor Corporation, and Toyota Tsusho Corporation jointly develop the world’s first car-to-car recycling technology for the copper contained in wire harnesses.

1990–2009

Development of overseas production sites and creation of new businesses

2003

- Yazaki introduces the industry’s first lead-free vinyl electric wire and cables.

2004

- Environmental recycling business is launched.

2006

- Yazaki Nursing Care Center, Kami Fusen, is established within Y-CITY.
- Yazaki participates in a forest volunteers’ cooperative forestation project in Yusuvara Town, Takaoka District, Kochi Prefecture for the first time.



2008

- Sales of *Bio-Aroace*, the world’s first wood pellet-fired fueled absorption chiller-heater begin.



2009

- Sales of *U-Smart*, the industry’s first ultrasonic LP gas meter begin.

From 2010

Sustainability management in an era of once-in-a-century transformation

2016

- *IoT Telematics* starts in the ASEAN region.

2018

- Establishment of the Yazaki Kizuna Foundation.

2019

- Sales of *TAXI Cloud*, the taxi meter industry’s first cloud service, begin.



2022

- Sales of *TRUE SAFE*, a safety driving solution for freight operators, begin.
- Yazaki successfully has digital tachographs for heavy-duty trucks certified under the J-Credit Scheme for the first time in Japan.
- Fourth-generation president Riku Yazaki is appointed.

Launching the Sumer Camp to nurture the interpersonal skills of children

At the Yazaki Group, we hold the Yazaki Summer Camp in Japan and overseas to provide employees’ children, who are our future, with the opportunity for diverse experiences. The camps deepen their understanding of environmental conservation and different cultures, and offer chances

for them to meet new people and experience new things, fostering their sense of curiosity. They also serve as a place for employees who participate in the camps as instructors to develop leadership and communication skills.



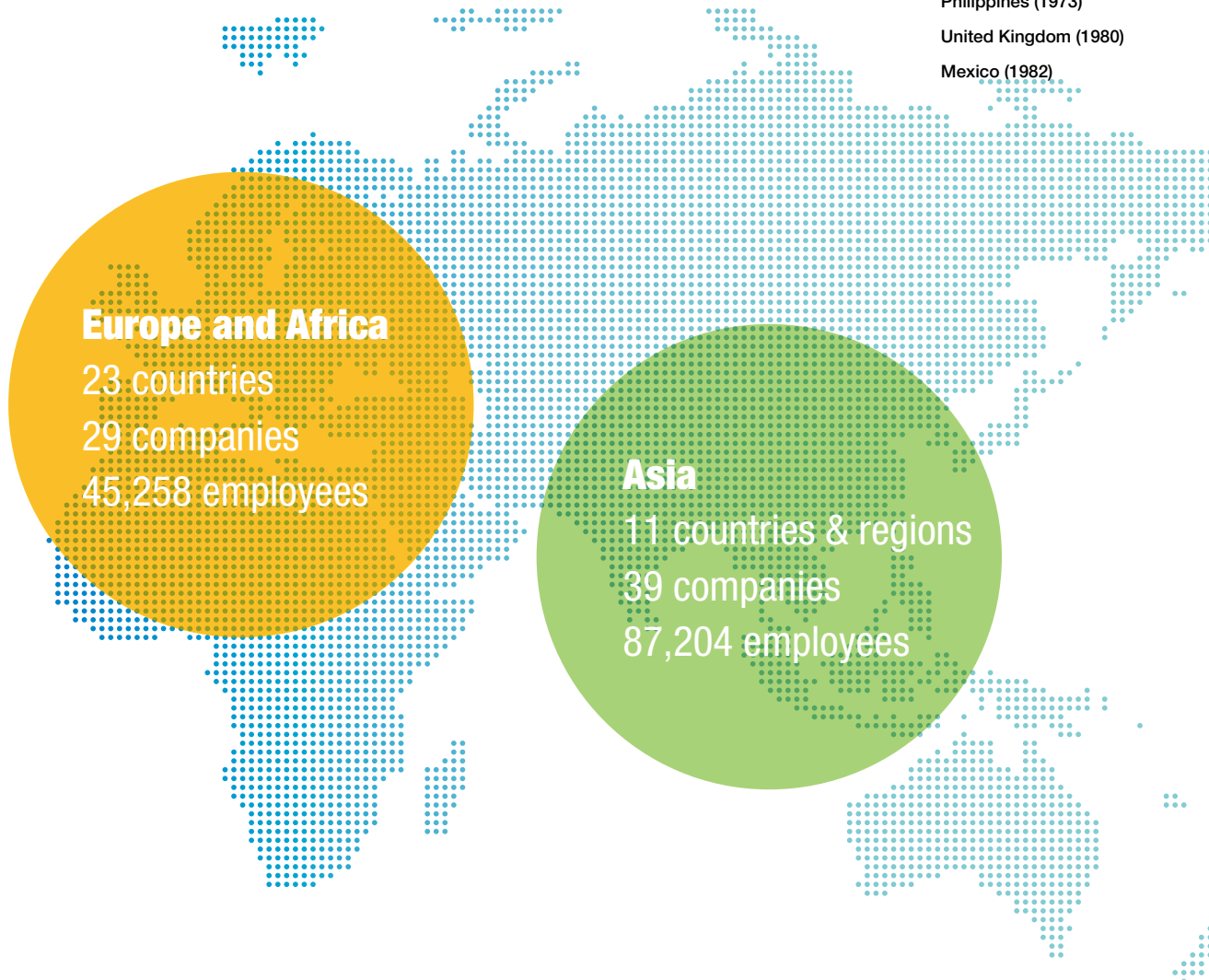
Episode 3 From 1977

Operating in 46 countries and regions around the world with approximately 240,000 employees

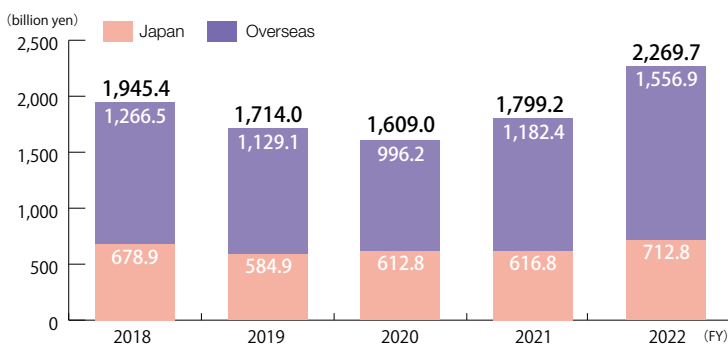
Expanding a global network

From 1960

- Thailand (1962)
- U.S.A. (1964)
- ★ Australia (1965)
- ★ Switzerland (1966)
- Taiwan (1968)
- Philippines (1973)
- United Kingdom (1980)
- Mexico (1982)

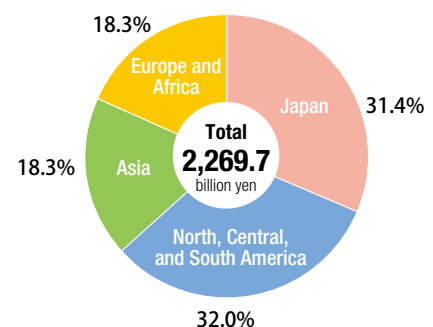


Consolidated Net Sales



Note: The fiscal year extends from June 21 of a given calendar year to June 20 of the following calendar year.

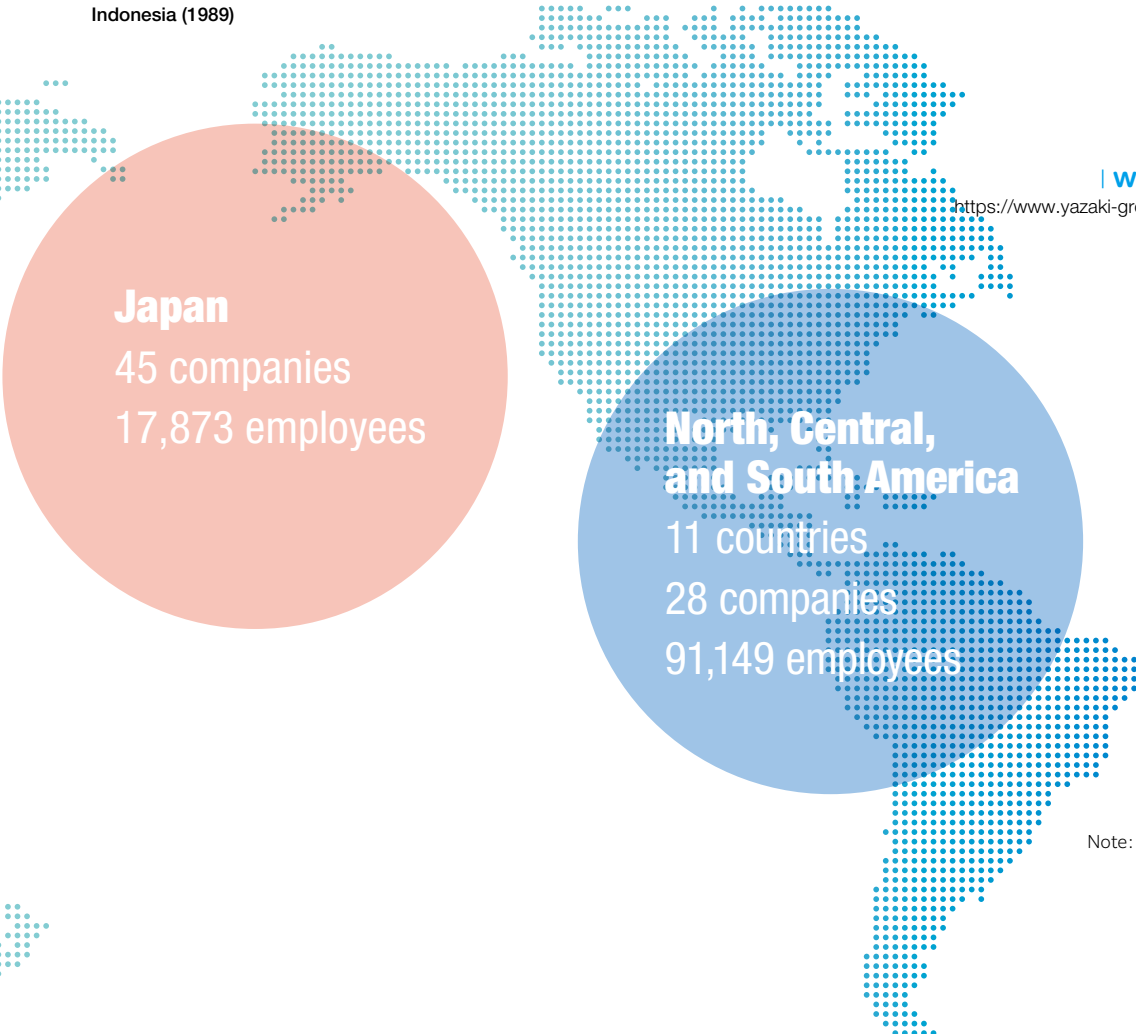
Breakdown of Consolidated Net Sales by Region (FY 2022)



Among countries in the timeline, there is no longer a site in the countries with "★."

From 1990 From 2000 From 2010

Portugal (1986)	Italy (1991)	Colombia (1995)	Morocco (2000)	El Salvador (2006)	Poland (2011)
★New Zealand (1986)	★Western Samoa (1991) <small>Present: Samoa</small>	Argentina (1995)	Nicaragua (2001)	Bulgaria (2006)	Cambodia (2012)
Canada (1987)	Belgium (1991)	India (1997)	★Lithuania (2001)	South Africa (2006)	Russia (2012)
Sweden (1988)	Slovakia (1994)	Brazil (1997)	Czech Republic (2001)	Tunisia (2009)	Slovenia (2012)
China (1988)	Singapore (1995)	★Netherlands (1999)	Ukraine (2002)	South Korea (2009)	Paraguay (2013)
Waest Germany (1988) <small>Present: Germany</small>	Turkey (1995)	France (1999)	Romania (2003)		Serbia (2016)
Spain (1988)	Vietnam (1995)	Croatia (1999)	Uruguay (2005)		Myanmar (2019)
Indonesia (1989)					Guatemala (2022)
					Egypt (2023)



Japan
45 companies
17,873 employees

**North, Central,
and South America**
11 countries
28 companies
91,149 employees

| WEB | Global Network

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



Note: In addition to the countries and regions where we have companies, seven countries where we have non-consolidated affiliated companies are also included (Canada, Slovenia, Egypt, Sweden, Croatia, South Africa, and South Korea).

Company Overview

Company name	Yazaki Corporation
Established	October 8, 1941
Representative	Riku Yazaki, President
Address	Headquarters 7th Floor, W Building, 1-8-15 Konan, Minato-ku, Tokyo 108-0075, Japan World Headquarters (Y-CITY) Mishuku 1500, Susono City, Shizuoka Prefecture 410-1194, Japan
Capital	3,191.5 million 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

Total of 141 companies (Japan/overseas)

Number of employees in the Group*2,3

Total of 241,484 employees (Japan/overseas)

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

*2 Yazaki Corporation and consolidated subsidiaries in Japan and overseas. Excludes equity-method subsidiaries, subsidiaries excluded from the scope of consolidation, affiliated companies, and related incorporated foundations. The aggregation method was changed to the method above in fiscal year 2018.

*3 Includes permanent employees, associate employees, accepted assigned employees, and reemployed persons. Accepted assigned employees excludes those who have been assigned from the Group to outside the Group, but includes those who have been assigned to the Group from outside.

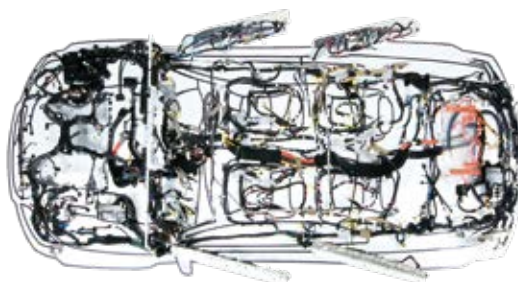
Connecting cars, people's lives, and society through products and services

Connecting Cars

We provide a wide range of products with a focus on wire harnesses (assemblies of electric wires), which function as the nervous system or blood vessels of a vehicle, meters, and other devices that support car electronics.

Wire Harness/Electronic Equipment

Wire harnesses, which are assemblies of electric wires, run throughout the car and carry electrical power and signals to the electronic equipment in a vehicle.



Wire harnesses



Smart junction block

Car Meters

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



Full-graphic meter

In-vehicle Safety & Service Systems

We are contributing to traffic accident prevention and environmental conservation through the provision of equipment that supports safe and eco-friendly driving.



YDX-8, an integrated driving recorder and digital tachograph



Arofriend 27, a network-enabled taxi meter

Charging Connectors

Yazaki's charging connectors, which are indispensable devices for charging EVs and plug-in hybrid EVs are renowned for their reliability.



DC charging connector

Connecting People's Lives

We provide products and services that can optimize the use of diverse forms of energy including electricity, gas, and solar heat.

Electric Wires

We provide lead-free general cables, environmentally friendly ecology cables, and halogen-free cables. Additionally, we were the first in the industry to acquire the Eco Leaf environmental label.



Yawaraka cable



Yazaki Slim Branch branch cable

Gas Equipment

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



Arokko LP gas alarm

U-Smart ultrasonic gas meter

LPWA wireless equipment

Air-Conditioning Equipment

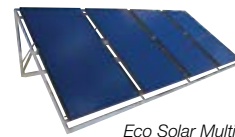
Our absorption chiller-heaters that utilize waste heat and renewable energy are environmentally friendly air-conditioning systems.



Bio-Aroace wood pellet-fired absorption chiller-heater

Solar Equipment

We leverage the solar heating technology we have built up over many years and provide solar heating products for household and commercial use that meet customers' needs.



Eco Solar Multi split-type solar water heating system



Connecting Society

We actively engage in businesses needed by society by solving the issues of local communities and providing environmentally friendly products and services.

Nursing Care

We operate a community-based nursing care program.



Yazaki Nursing Care Center, Kami Fusen

Agriculture

We run a community-based agricultural business for cultivating local specialties such as vegetables and other types of produce.



Growing tomatoes in a plastic greenhouse

Environment & Recycling

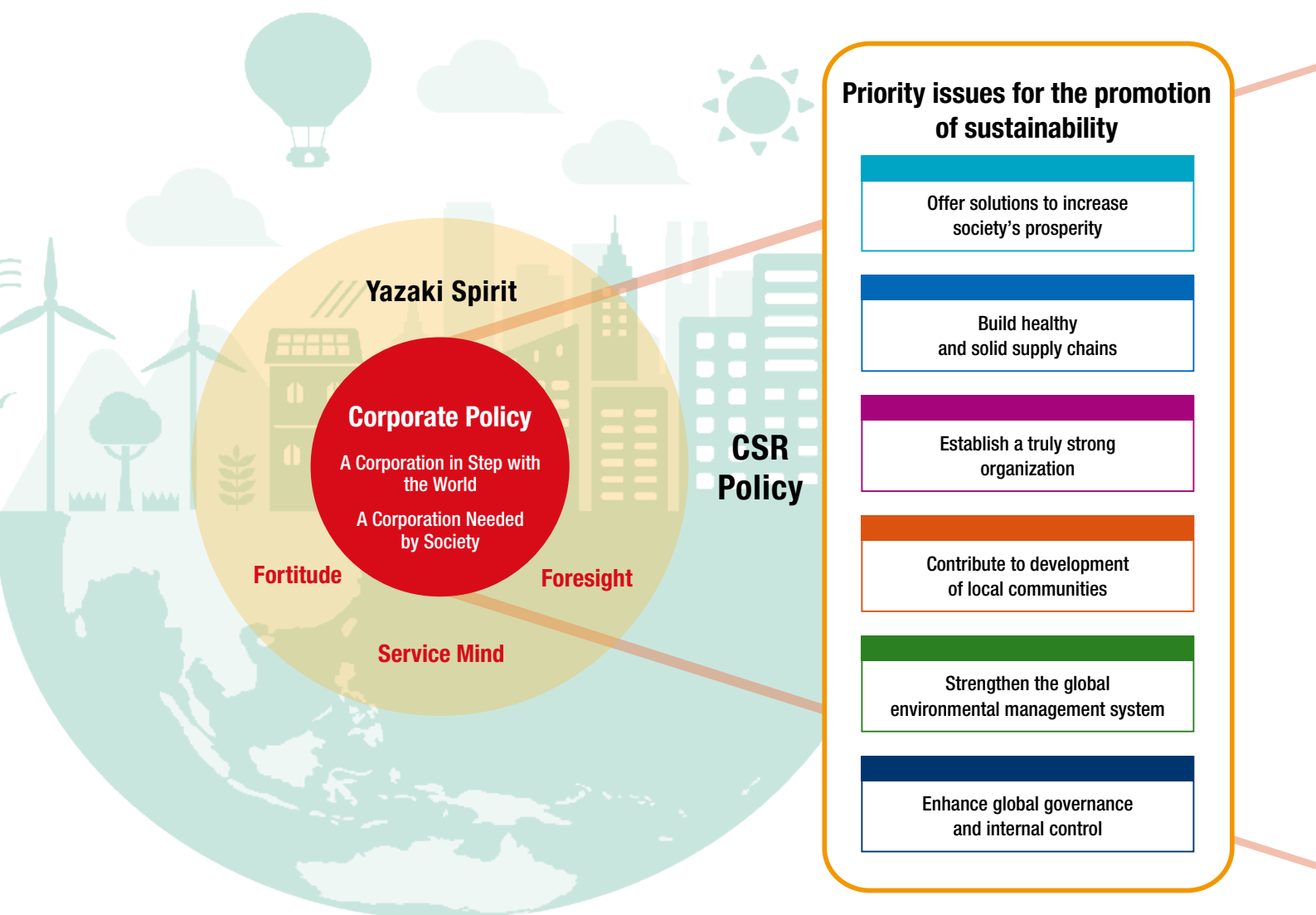
We contribute to conservation of the environment through a business involving the recycling of wastepaper.



Paper foam cushioning material

Contributing to the resolution of social issues and sustainably enhancing corporate value

The Yazaki Group has harnessed strengths cultivated over more than eight decades under its Corporate Policy that calls for “A Corporation in Step with the World” and “A Corporation Needed by Society.” In doing so, we have developed a business of connecting cars, people’s lives, and society. By addressing priority issues for the promotion of sustainability (see pages 21 and 22) through our “connecting” business and initiatives centered around this Corporate Policy, we will continue to provide new value to stakeholders and communities and contribute to the realization of a sustainable society.



Realizing a Sustainable Society

Values That We Provide to Society

Business Operations of the Yazaki Group

Strengths of the Yazaki Group

Production, development, and sales sites in 46 countries and regions around the world

Technical capabilities that have given rise to industry leading products

The development of human resources to support *monozukuri* (craftsmanship)

Automotive business
Connecting Cars



Contributing to a safe and comfortable mobility society

Contributing to a decarbonized, recycling-based society

Living environment equipment business
Connecting People's Lives



Creating jobs in local communities

Nursing care business, agriculture, and environmental recycling business

Connecting Society



Supporting safety and security in our daily lives

Revitalizing local economies

Special Feature

Central America— Alongside Guatemala's people and society

In 2022, the Yazaki Group established Yazaki Guatemala in Ayutla, San Marcos, near the Mexican border in western Guatemala for the manufacture of automobile wire harnesses. Our aim was to develop a manufacturing framework that could address various business risks while ensuring stable product supply, and in addition, help to revitalize the local economy and resolve the social issue of irregular migration by creating attractive and high-quality employment opportunities. In this special feature, we will present the voices of stakeholders and illustrate how Yazaki Guatemala coexists with the local community to demonstrate how we are putting sustainability management based on the Yazaki Group Corporate Policy into practice.

Dawn at the Yazaki Guatemala Ayutla Factory (center of photo)



Social Issues in Guatemala

A civil war broke out in Guatemala in 1960, lasting until a final peace agreement was established in 1996. While an unstable situation driven by criminal organizations and corruption continued throughout the following few years, a stable economic growth rate of between 3% and 4% has been maintained since 2010, and crime has decreased substantially over the last 10 years. Nevertheless, poverty remains an issue for the country, with more than half of its citizens living on less than US\$5 a day. Consequently, over two million Guatemalans have migrated to North America, with remittances to their families accounting for approximately 10% of Guatemala’s gross domestic product (GDP). In addition, because Guatemala is a key transit point for irregular migrants and refugees heading from Central and South America to North America via Mexico, the number of displaced persons and camps housing them is increasing. This is contributing to a vicious cycle in which the need to support the migrants through the provision of food, health, and hygiene services is putting additional pressure on local governments and economies, which in turn is causing increased social instability. For these reasons, irregular migration is an issue that Guatemala must urgently address.

Note: Based on the website of the Ministry of Foreign Affairs of Japan

Republic of Guatemala Overview

Area:	108,889 km ²
Population:	17.11 million (2021 World Bank estimate)
Capital:	Guatemala City
Ethnicities:	Mayan indigenous people comprise approx. 40% of the population, while people of European descent and mixed European and indigenous descent comprise approx. 50%.
Languages:	Spanish (official language), 22 Mayan languages, etc.
Main industries:	Agriculture and textiles

Note: Based on the websites of the Ministry of Foreign Affairs of Japan

Wire harness factory in Tapachula, Chiapas (site at southernmost tip of Mexico)

Wire harness factory, ECI factory, logistics center

Wire harness factory, logistics center

Yazaki Guatemala and Surrounding Sites

Background to Entry into Guatemala

In recent years, companies have come to encounter major business continuity risks due to issues such as natural disasters caused by climate change, the spread of infectious diseases, and soaring logistics and raw material prices. As a global provider of wire harnesses and other automotive parts, the Yazaki Group is striving to make its production framework more flexible with the aim of ensuring the stable provision of products to customers while responding to such global risks. With a regional headquarters located in North America, the Yazaki Group operates several companies in the Americas region. Here, we have been strengthening our locations in countries such as Mexico, Nicaragua, and El Salvador, to consolidate our production sites in areas closer to our customers. As part of these efforts, we expanded into Guatemala and established a pilot factory, launching operations as Yazaki Guatemala (YGS).

When entering new countries and regions, we ensure our Corporate Policy of “A Corporation in Step with the World” and “A Corporation Needed by Society” aligns with their respective goals. By helping to resolve Guatemala’s social issue of irregular migration through the creation of quality



<p>Yazaki Guatemala Overview</p> <p>Date of establishment: September 7, 2022</p> <p>Location: Ayutla, San Marcos</p> <p>Site area: 10,895 m²</p>	<p>Initial investment: US\$10 million</p> <p>Items produced: Automobile wire harnesses</p> <p>Number of employees: 781 (as of August 2023)</p> <p>Men 48% / Women 52%</p> <p>(Target women’s employee percentage: 70%)</p>
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employment opportunities, we can take one step toward realizing our Corporate Policy.

Our activities also align with the “Call to Action” initiative (later renamed “Central America Forward”) announced in May 2021 by the Vice President of the United States, Kamala Devi Harris. It calls for expanded investment in the Central American countries known as the “Northern Triangle” countries.

In February 2023, we held a grand opening ceremony for our site, to which we invited the President of Guatemala, Alejandro Giammattei, other government officials, and many stakeholders including customers.

Contributing to Local Economic Development and the Resolution of Social Issues

Irregular migration is a significant social issue throughout the whole of Central and South America, with numbers of migrants attempting to enter the United States reaching record highs. Many migrants travel through San Marcos, where YGS is located. To help alleviate this crisis, YGS is engaging in dialogue and effective collaboration with key stakeholders active in the region, including the United Nations High Commissioner for Refugees (UNHCR), the Superintendency of Tax Administration (SAT) of Guatemala, the Japan International Cooperation Agency (JICA), and the Special Public Economic Development Zone (ZDEEP).



By working together in active partnerships with stakeholders who seek a brighter future for Guatemala, we hope to substantially reduce the number of migrants. While we are yet to deliver major results at this early stage, we will continue to make efforts, such as recruiting approximately 2% of YGS' workforce from documented migrants.



Regional Director, UNHCR
Guatemala Tecun Uman Field Unit

Voice

Juan Ossa E.

UNHCR is a United Nations agency that supports refugees. It aims to protect refugees and migrants who are fleeing disputed territories, persecution, and poverty, while also providing support so that they can return safely to their countries

or become independent in the countries they migrate to.

In 2020, more than 440,000 refugees and migrants were deported to their countries from the United States and Mexico. Among them, approximately 176,000 passed through Ayutla, San Marcos, where YGS is located. Although we are protecting approximately 800 people at our refugee center, these are only 10% of those who are seeking protection. While partnering with NGOs such as World Vision, UNHCR introduces those being protected to job opportunities, thus supporting people in vulnerable positions to secure work that can sustain their lives.

The fact that YGS has created permanent employment opportunities in this region, which is home to 10% of refugees in Guatemala, will have a significant economic ripple effect. For other companies, YGS serves as a leading example of an

enterprise that is helping to counter migration and conduct sustainable business activities in Guatemala. We hope to continue to engage in dialogue with YGS to support those in need.



Administrative Officer in Charge of
Customs, Superintendency of Tax
Administration (SAT) of Guatemala

Voice

Alfredo Sielizar

At the SAT, in addition to tax collection and customs clearance duties, we also engage in collaboration with private companies, which is very important for the development of our country. The establishment

of YGS has led to substantial changes in this area and has been a major driver of economic development. Thanks to the arrival of manufacturing here, the region has been rejuvenated. In Guatemala, tax incentives are given to companies operating in special economic zones. I hope that Yazaki's example encourages other companies to enter these zones and inspires young people to stay in the region.





NGO World Vision

Voice

Virves Jacobo Francisco

World Vision has established four training centers in San Marcos, working together with UNHCR to provide extensive job training for over 10,000 returned migrants and Guatemalans who require protection. When we heard that Yazaki would enter Guatemala, we described how we protect and support migrants and how the migrants at our training centers could benefit YGS. Looking at YGS operations in action, it is clear that it is offering fair work opportunities in an environment that is safe for everyone. Local residents and employees alike have mentioned to us that Yazaki is providing a wealth of valuable learning opportunities, and we are deeply grateful for Yazaki's commitment to this region.



Vice Consul, Mexican Consulate

Voice

José Luis Alvarado

The Mexican government is working closely with the Guatemalan and U.S. governments to address increased irregular migration, which is a global issue. While migration is not problematic in itself, the rapid increase in irregular migration has become a serious concern. By better understanding its root causes, we can develop projects that will improve the state of the local economy, which is one of the major factors driving this crisis. The jobs created by YGS do not simply help to reduce irregular migration. Yazaki's entry into this area, where the main industry is agriculture, is drawing the attention of other companies. Business owners have noticed that the changes in employees' lifestyles and consumption activities are reaching sectors such as transportation, food services, and accommodation. I hope that YGS can continue to grow and serve as an economic magnet that will attract investment from other regions in Guatemala and neighboring countries.

Raising Local Residents' Quality of Life by Providing Stable Employment Opportunities

Approximately 95% of workers in this area are involved in agricultural work such as banana, pineapple, and palm oil production. While a lack of employment opportunities for women is an issue, YGS has created new jobs that are not based on gender. As YGS offers permanent employment to people who have graduated from junior high school or above and fulfill certain age and literacy requirements, it enables those who have been working insecure jobs since graduating to obtain a stable income.

In addition, as YGS has officially joined the Guatemalan Social Security Institute (IGSS), employees are entitled to use all of the institute's systems, and they and their family members* can access medical services at the factory.

Until now, workers in this area have commuted to their workplaces mostly by foot, bicycle, or paid bus. However, an increasing number of employees at YGS have been able to save and purchase motorcycles to travel to work. In the near future, it is likely that some employees will start to commute



President, ZDEEP Puerta del Istmo

Voice

Fermin Colina

Puerta del Istmo is Guatemala's first private economic development zone. Overseas companies that invest here receive tax exemptions and other preferential treatment, and also enjoy many advantages such as ample land, exclusive customs, and close proximity to the Mexican border. I have engaged in various activities here over the last 15 years, hoping to leave a legacy that helps support all of Guatemala. Encountering Yazaki and having the opportunity to share my passion for taking care of people has been a truly remarkable experience. By providing permanent employment, technical training for those without experience, and social security benefits, Yazaki has put people first. YGS has also shown a deep consideration for the local community. In Central America, which includes this region, there are many people migrating to North America. However, I do not believe that any of them simply want to abandon their home countries. Nevertheless, because of a lack of employment in their regions or other reasons, they choose to use all of their savings to leave. To stop this unfortunate situation from occurring, I will work together with YGS to provide support that puts people's lives first. While I can offer land, Yazaki can bring its experience. By collaborating, I am sure we can have a positive impact on Guatemala.

by car thanks to their improved quality of life. The employment created by YGS has also helped to revitalize the local economy by having a ripple effect on the transport, security, shopping, food, and accommodation industries, thus benefiting the lives of the local residents.

* Family members up to the age of five



Employee (Operator) **Voice**

Maria José Mejía

My previous job was at a restaurant, where I worked from early morning until late at night. The pay was also quite low and there was no social security insurance. Now, in addition to having a stable income, I am able to spend more time with my family because I can return home from work at an earlier time. YGS recruits people even if they do not have experience, providing training that enables them to increase their skills after joining. I am grateful that I have been given this opportunity to grow. I want to do my best so that I can set a good example for children.



Ayutla Factory Manager, Yazaki Guatemala **Voice**

Milton C. Alegria

At the entrance to YGS is a sign that states “Through these doors enter the best employees in the world.” This message not only reflects YGS commitment to putting care for people first and respecting all employees but also its wish that we work with respect for fellow employees and those around us.

The establishment of YGS has enabled young people who were looking for work to gain employment and no longer need to consider migrating from the country. In addition to bringing security to people’s lives, YGS has brought smiles to many faces, especially among its employees. Further expanding employment to support the development of Guatemala is one of our immediate goals. At the same time, we would like to focus on improving the quality of life in the local community and contributing to the healthcare field by collaborating with the Guatemalan Ministry of Health. Going forward, we will engage in dialogue on a range of themes with employees, the community, and the government in an effort to promote necessary initiatives.



Employee (Production Process Coordinator) **Voice**

Wuener Fuentes

At YGS, every employee holds specific responsibilities that collectively contribute to the completion of each job. I do not think you can find this work style anywhere else in Guatemala’s industrial sector, and I believe it will contribute to the sector’s growth. Furthermore, in contrast to a lot of companies in this region that only offer temporary employment, YGS offers greater security and peace of mind by providing permanent employment. I hope to stay at YGS for a long time as I believe it will be very helpful for my personal growth.



Employee (Operator) **Voice**

Quevin Carreto

I previously worked in agriculture. These days, because I cherish my job at YGS, I look forward to going to work, and the Yazaki logo ignites my passion and motivation whenever I see it. There is a great sense of comradery in the workplace, and everyone is well supported by their colleagues and supervisors. Since working here entitles us to all government-mandated employee benefits, our lives have been transformed significantly. I am grateful that I have found a job that inspires both myself and other young people.





Developing People from the Ground up to Create the Future

To create a factory and operate a business in a region without a manufacturing industry, it is essential to secure and train human resources. When we established YGS, we spent the year leading up to the opening of the site conducting technical education and training with assistance from the Ministry of the Economy of Guatemala and INTECAP.* In addition, as when launching other factories, the initial members received on-site training in factories in neighboring regions. For YGS, training was held in Mexico, El Salvador, and Nicaragua to enable members to acquire the required operator and coordinator skills. During on-site training, while interacting with other employees and management members, participants not only learn the necessary skills for operations but also the importance of complying with attendance policies and rules set by the company, as well as new concepts such as 5S, which stands for “sort, set, shine, standardize, sustain.”

* Technical Institute for Training and Productivity: It provides education and training to develop laborers and craftspeople with the aim of contributing to improved productivity in the private sector and the development of the nation. Operating 33 training centers throughout the country, it offers a wide range of training courses such as automobile maintenance, electrical engineering, and systems engineering.



Director, INTECAP

Voice

Juan Gonzales

I work as director at INTECAP's closest training center to YGS. At the request of the President of Guatemala, INTECAP has provided training for young people joining YGS, covering

from the preparation stage until their entry into the company. We train approximately 2,400 people annually, and close to 30% of these trainees are entering YGS, which is a private company. While there are many people in this region who survive on only a few dollars and one meal a day, those who work at YGS are able to obtain the income needed for a good life, making it no longer necessary for young people to leave the country illegally and expose themselves to danger. In the past, only approximately three to four out of 20 applicants would actually complete their courses, and over 10 members in each course would quit and become migrants. With the establishment of YGS, however, this



Employee (Operator)

Voice

Luis Tul

Although I did not know anything about wire harnesses before entering the company, I received thorough training to ensure I could carry out tasks effectively. Before joining, although I understood the importance of completing jobs properly and being punctual, I did not know how to put these good practices into action. However, by repeating tasks at YGS every day, I gradually adapted both mentally and physically to the work, proving to myself that even I could do it too. I hope to stay here for a long time and grow as a person.

number has decreased dramatically. As young people in this region previously did not have opportunities for regular employment, I am very grateful that YGS can be here.

The Future of Yazaki Guatemala

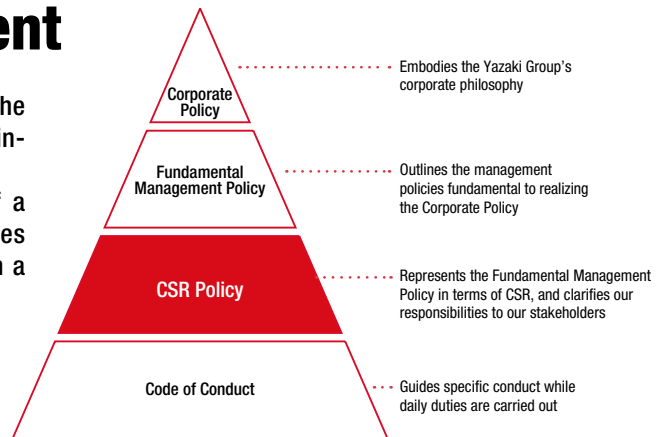
YGS was the first automotive parts manufacturer to enter Guatemala, and we have designated its Ayutla Factory as a pilot factory. We are aiming to recruit over 1,000 employees by the end of 2023 and intend to build a second factory in Guatemala to further increase employment opportunities.

Furthermore, we will develop and improve YGS as a site with logistics functions in Central American countries such as El Salvador and Nicaragua, continuing to work together with a wide range of stakeholders to expand our operations in order to drive Guatemala's growth.

The Yazaki Group's CSR for sustainability management

The Yazaki Group has established and is implementing the CSR Policy while advancing initiatives that promote sustainability and the enhancement of corporate value.

With the aim of contributing to the development of a sustainable society, we will steadily conduct CSR activities and continue to engage in more proactive initiatives with a long-term and broad perspective.



CSR Policy

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

Customers

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

Local and Global Communities

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

Global Environment

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

Business Partners

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

Employees

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

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

The Yazaki Group sets forth the Code of Conduct that should be undertaken for the implementation of its CSR Policy by every one of its employees.

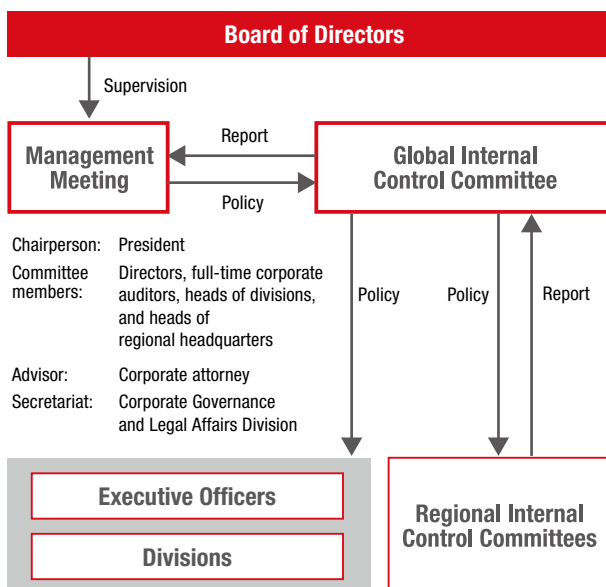
Domestically, the Yazaki Group published the Code of Conduct Handbook, a compilation that includes our CSR Policy, Code of Conduct, and information on various consultation offices, and distributed it to all employees, including those belonging to its subsidiaries. For our overseas subsidiaries, localized versions of the Code of Conduct have been established, as compiled based on the laws and customs of each country and region and the regulations of each business site. Certain subsidiaries that have implemented their own codes of conduct have engaged in dialogue with regional headquarters in an effort to ensure consistency with a code of conduct that should be complied with by Yazaki Group employees.

By thoroughly implementing this code of conduct, we will promote globally integrated activities to allow each and every one of our employees to fulfill their social responsibilities.

Organizational Structure for CSR Promotion

The Yazaki Group's Global Internal Control Committee is chaired by an officer (the president) appointed by the Board of Directors and its members consist of directors, full-time corporate auditors, heads of various divisions, and heads of

Diagram of Organizational Structure for CSR Promotion



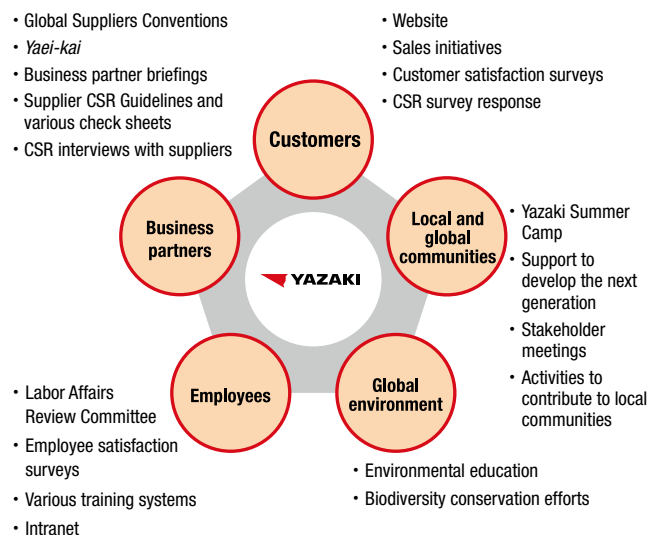
regional headquarters. This Committee deliberates on important matters concerning CSR and sustainability for the Yazaki Group. Among these matters, those that concern policy revisions requiring management decisions are reported and deliberated on at management meetings as necessary. The Board of Directors then resolves such matters and supervises the executive team's actions.

The CSR Liaison Meeting has also been established as a body that is subordinate to the Japan Internal Control Committee for the domestic Yazaki Group. The CSR Liaison Meeting's membership includes department and division heads and other executives with ties to such areas as human resources, legal affairs, and the environment. This body confirms the status of CSR and sustainability promotion in each division, ascertains issues, and shares information as required.

Relationships with Stakeholders

The business of the Yazaki Group, which operates in 46 countries and regions around the world, is constituted within the framework of relationships with the various stakeholders. Through constructive dialogue, we are building links of trust with these stakeholders and are working to satisfy their expectations and requests.

Communications with Stakeholders of the Yazaki Group



Social Issues That the Yazaki Group Needs to Focus On

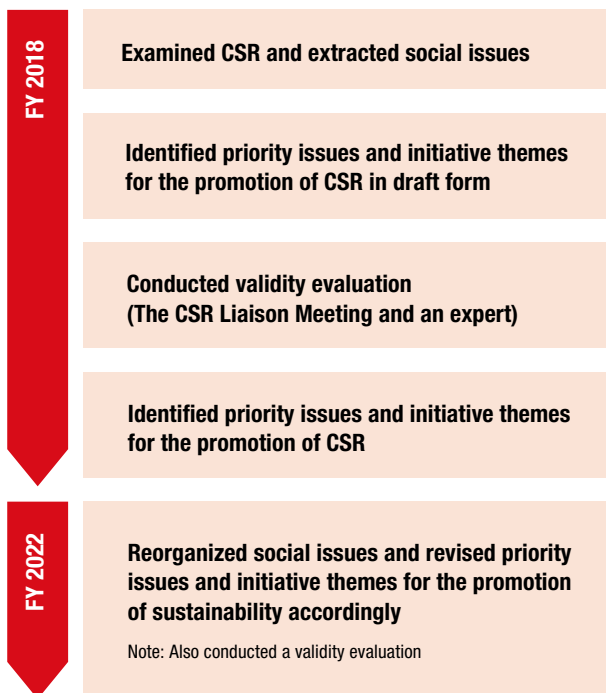
The Yazaki Group regards CSR as a management issue and believes it is important that it ascertains and manages the impact of the external environment on the company and the impact of its business activities on society in order to further promote initiatives concerning CSR. Accordingly, in fiscal year 2018, we identified important issues in terms of the promotion of CSR that should be addressed on a priority basis.

In addition, we have identified 23 items across six priority issue areas in relation to achieving the SDGs.

Review of Priority Issues

To strengthen the Yazaki Group's response to changes in the external environment and business risks associated with sustainability, we revised the priority issues and 23 initiative themes identified in fiscal year 2018 for the promotion of CSR, widening our perspective to incorporate sustainability. We also established key performance indicators (KPIs) for each of the initiative themes to evaluate results.

Priority Issues Identification Process



Review of Priority Issues

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

Looking to the Future






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



The Sustainable Development Goals (SDGs) were adopted by the United Nations (in September 2015) as challenges that are shared by humanity and that should be resolved by 2030. They constitute goals that we should work on achieving together on a global scale.

Results of Main Initiatives in Fiscal Year 2022 for Addressing Priority Issues for the Promotion of Sustainability

Note: The year will be stated if the target fiscal year differs.

Priority issue	Initiative theme	KPI	FY 2022 result	Organizations covered
Offer solutions to increase society's prosperity 	Provide safe, high-quality products and services	100% maintenance of ISO 9001 certification Note: At domestic and overseas sites where certification is required	100%	Global
	Promote open innovation	Demonstrate evidence of initiatives	Published evidence	Global
	Resolve social issues through our business	Demonstrate evidence of initiatives	Published evidence	Global
Build healthy and solid supply chains 	Promote CSR procurement	80% response rate for the CSR survey Note: Target suppliers in Japan, ASEAN, and Greater China	86.7%	Japan, ASEAN, Greater China
Establish a truly strong organization 	Promote diversity, equity, and inclusion	① Percentage of childcare leave taken by male employees: 50% (2025), 85% (2030) ② Percentage of women in management positions: 5% (2026)	① 35.3% ② 3.18%	Domestic group companies (4)
	Improve job satisfaction	95% response rate of the employee engagement survey	95%	Domestic group companies (4)
	Develop the next generation of human resources	Hours spent in training per employee: 5h/person	5h/person	Domestic group companies (4)
	Foster the corporate culture	Percentage of management members* participating in Corporate Philosophy training: 100% * Leader positions	100%	Domestic group companies (4)
	Promote health management	① Physical: Percentage of employees at high health risk:* Less than 5.5% ② Mental: Stress check participation rate: 100% * Individuals corresponding to the health management category set by our company based on health checkup results	① 7.2% ② 96.4%	Domestic group companies (4)
	Strengthen occupational health and safety	① Zero major occupational accidents ② -1 Zero accidents at facilities caused by violations of the "Stop, Call, Wait" rule ② -2 Zero accidents caused by violations of <i>poketenashi</i> walking fall prevention rules	①: 0 accidents ② -1: 2 accidents ② -2: 1 accident	Domestic group companies (4)
Contribute to development of local communities 	Contribute to development of local communities	Demonstrate evidence of initiatives	Published evidence	Global
Strengthen the global environmental management system 	Enhance environmental management	Percentage of companies with ISO 14001 certification	60%	Global
	Mitigate and adapt to climate change	Percentage reduction in CO ₂ emissions compared to the base year (FY 2017) · FY 2022: 4%, FY 2030: 39%, FY 2050: Carbon neutrality	19%	Global
	Conserve biodiversity	Demonstrate evidence of initiatives	Published evidence	Global
	Closely manage harmful chemicals	Identification of emissions of substances subject to the PRTR Note: Covers eight applicable sites in Japan subject to the Chemical Substances Management Law: Susono Factory, Ohama Factory, Shimada Factory, Tenryu Factory, Fuji Factory, Numazu Factory, Kan Kogyo, and Oita Parts	Identified emissions: 6.3 tons	Domestic group
	Formation of a recycling-based society	Percentage reduction in waste emissions compared to the base year (FY 2018) · FY 2022: 2%, FY 2030: 10%	14%	Domestic group
	Water resource response	Percentage reduction in water consumption compared to the base year (FY 2018) · FY 2022: 4%, FY 2030: 17%	13%	Domestic group
Enhance global governance and internal control 	Ensure management soundness, efficiency, and transparency	Demonstrate evidence of initiatives	Published evidence	Global
	Strengthen risk management and BCM	Demonstrate evidence of initiatives	Published evidence	Global
	Promote information security	Risk reduction measures (endpoint security* coverage rate) Japan: 100%, North and Central America: 100%, Europe and Africa: 100%, Asia and South America: 40% * Security measure for end equipment such as PCs and servers	Disclosed from FY 2023	Global
	Practice thorough compliance	Participation rate in Antimonopoly Act training: 100% Note: Based on number of participants expected to attend in Japan	99%	Domestic group companies (4)
	Prevent all forms of corruption	Zero violations of bribery laws and regulations	0 incidents	Domestic group companies (4)
	Respect human rights	100% human rights due diligence coverage at seven regional headquarters* * Japan, North and Central America, Europe and Africa Greater China, ASEAN, Mercosur, India	100%	Global

Priority Issue

Offer solutions to increase society's prosperity



P24 **Messages from the heads of our businesses**

P25 **Provide safe, high-quality products and services**

P27 **Resolve social issues through our business**

P30 **Promote open innovation**

Prompted by a corporate policy that calls for us to serve as “A Corporation in Step with the World” and as “A Corporation Needed by Society,” we believe that our mission and purpose are to continue to provide unsurpassed value to customers around the world and contribute to society through manufacturing. With the Yazaki Spirit (Fortitude, Service Mind, and Foresight) that has been continually handed down from our founder and other predecessors, we shall seek to improve social prosperity and provide solutions that meet the needs of a changing society without forgetting our origin as a manufacturing company.

Messages from the heads of our businesses

Automotive Business

Responding to the diversification of vehicle power by evolving our electrical systems

Amid the rapid diversification in vehicle power, as seen in the shift from internal combustion engines to hybrid systems, plug-in hybrid systems, and electric motors, we are evolving our electrical systems that safely and efficiently transmit energy and control signals in vehicles, offering various new technologies to customers.

We are also focusing on enhancing vehicle electrical system control through software to improve safety, features, and services, as well as high-voltage electrical systems (200 V to over 500 V) tailored to diversifications in vehicle power. In both of these areas, we are leveraging our strong track record and expertise in mass production, taking on the challenge of new technologies.

Amid significant changes in the way our customers make cars, we will revise our product manufacturing methods to meet the needs of both existing and new customers throughout the world.



Makoto Katsumata

Senior Managing Director
General Manager, Automotive
Business Management Division
Yazaki Corporation

Mobility Business

Providing solutions for issues in the transport industry from an on-site perspective

The transport industry, which forms the core of a mobility society, is grappling with various issues such as an overtime cap that will be enforced in Japan in 2024 and the need to address carbon neutrality. Our mobility business helps to solve challenges encountered on-site by utilizing digital technology to provide both product- and service-based solutions. In June 2023, we launched a new system with expanded functionality to meet the increasing sophistication and diversification in customer needs. This system is comprised of YDX-8, our integrated digital tachograph and driver recorder, and *ESTRA-Web2*, our new cloud-based vehicle operation management system. It employs external data linkage and AI analysis to deliver greater value to users than before. We will continue to contribute to revolutionizing the transport industry by delivering solutions that enhance safety, quality, and efficiency, meeting the needs and expectations of the management, administration, and operational front lines.



Noboru Osada

Senior Managing Director
General Manager,
Mobility Business Operations
Yazaki Corporation

Living Environment Equipment Business

Providing products and services that use diverse forms of energy optimally

As a company that comprehensively produces all types of energy, Yazaki Energy System Corporation aims to realize a resource-saving and recycling-based society. Responsible for the Group's living environment equipment business, we launched a diverse range of initiatives to achieve CO₂ emissions reduction targets for addressing climate change. These include measuring energy consumption, reviewing supplier selection, and installing solar panels and storage batteries at factories. We are also promoting environmentally friendly products such as a system for the collection and recycling of sold gas equipment and a system that produces chilled water for industrial use by using waste heat, which has been underutilized in the past.

We will continue to contribute to the development of a sustainable society through business activities that support the creation of a global environment that is friendly to all life by providing products and services that optimally utilize diverse forms of energy.



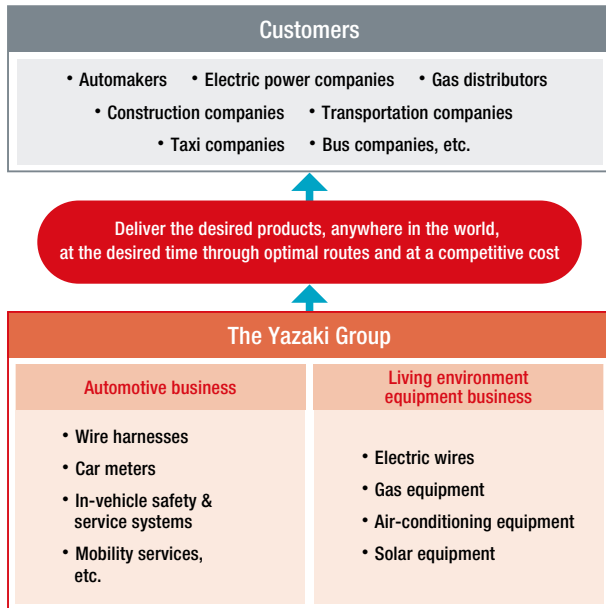
Ko Yazaki

Executive Vice President
Yazaki Corporation
President
Yazaki Energy System Corporation

Provide safe, high-quality products and services

Since our founding, the Yazaki Group has continued to engage in business activities with a commitment to providing the best value to customers around the world. We aim to remain an invaluable partner to our customers by fulfilling our responsibility to provide safe, high-quality products and services that are consistent with the trust placed in us by customers and that meet their expectations.

Yazaki Group Businesses and Customers



Providing Safe, High-quality Products and Services

Automotive Business

In the automotive business, relevant divisions are collaborating to respond to the rapid advancement in electrification and intelligent technology as well as changes in the business environment such as soaring raw material prices and semiconductor supply issues.

Centered on wire harnesses that link various types of in-vehicle equipment, we have positioned EEDDS*¹ as the basis for our business and have formed a framework that covers all processes, starting from the development of materials to the design and production of finished products. This enables us to provide high-quality products to our customers globally. While leveraging the EEDDS technology we have cultivated so far, we will continue to offer products to our existing customers and also develop new customer bases.

*1 Electrical / Electronic Distribution & Display System: It is a system for the optimal distribution and display of electricity, signals, and information.

We will also make advancements and provide high-quality products in new business domains, including CASE*² technologies centered around high-voltage products and high-speed communications, as well as personal mobility, and flying cars.

*2 CASE refers to the new areas of "Connected," "Autonomous/Automated," "Shared," and "Electric."

Mobility Services

In the midst of Japan's era of high economic growth, in 1960, the Yazaki Group began manufacturing and selling the nation's first tachographs. For over 60 years since then, with a focus on improving safety through tachographs, we have provided systems and services that deliver greater safety, energy saving, environmental benefits, and efficiency for business-use vehicles. To meet the needs for advanced safety, quality, and efficiency improvements by way of compound services targeting end-to-end arrangements from the standpoint of Mobility as a Service (MaaS) in our Mobility Business Operations that was established in fiscal year 2019, we are accumulating big data cultivated in our fleet*¹ management service (FMS) business on the Yazaki Mobility Platform,*² analyzing and processing data with AI, and providing total solutions based on new ideas generated through linkages with outside data. In fiscal year 2022, we partnered with a road construction consulting company to conduct a demonstration test on the utilization of big data for more efficient maintenance and management of road infrastructure.

*1 Vehicles owned by companies or used in businesses.

*2 A platform for accumulating and analyzing big data constituted through the acquisition of location data and various other types of vehicle information from commercial vehicles equipped with our corporate group's in-vehicle safety & service systems.

In-vehicle Safety & Service Systems

In our in-vehicle safety & service systems business, we have established a nationwide sales and service network primarily built around tachographs and taximeters and are working together with dealers to maintain close relations with actual worksites (*gamba*) and provide total support that ensures customers are satisfied.

As one of our core products, our digital tachographs contribute to safe driving and energy saving in the freight and transport industry. Having sold approximately 600,000 units, they are held in high regard by many customers for

effectively addressing industry issues such as accidents and environmental concerns.

In the freight and transport industry, the “2024 problem”^{*} presents an urgent issue that is likely to cause driver shortages and increased logistics costs. Other major challenges also exist, such as the need to address carbon neutrality. Furthermore, it is expected that charter buses will be required to have digital tachographs installed by 2024.

To meet these diverse needs and present solutions for issues, we have launched the digital tachograph YDX-8, which offers greatly expanded functionality, and *ESTRA-Web2*, our cloud-based vehicle operation management system.

We are also offering driving recorders for forklifts, aiming to improve efficiency across all aspects of logistics, including both transport and warehousing operations.

We remain committed to improving our customers' operational efficiency and safety and labor management in accordance with the changing environment surrounding the logistics and passenger sectors.

^{*} Name given to the challenge expected to arise from limits on truck driver working hours to be enforced in April 2024 due to the Work Style Reform Bill

Electric Wires

Our electric wire business has been selling power cables, communications cables, branch cables, and other social infrastructure-supporting products for over half a century. These products are used on various construction sites. We also launched *Acemic* in 1986 as an anti-static product for the electronics and medical equipment sectors, which support Japan's manufacturing industry. *Acemic* is a conductive sheet that can be adhered directly to the floor, thus enabling installation work to be completed in a shorter period of time.

With the advancement of miniaturization in recent years, facilities in the semiconductor industry are being frequently renewed. Conventional conductive flooring, in which conductive material is coated directly on the floor surface, can lead to extended work times. In response, we launched *Dust-free Acemic* in 2022. Aside from saving time like *Acemic*, it is the first product of its kind that can be used in the industry's cleanrooms because it offers a higher level of cleanliness by not using base fabric, which is a source of dust and dirt. In addition to meeting the Class 1,000^{*} cleanliness standard, which is used in the semiconductor industry, the lack of a base fabric minimizes the sheet's vertical resistance, thus improving conductivity. We announced this technology at the Institute of Electrical Engineers of Japan's 2023 National Competition.

While listening to the opinions of our customers and actively addressing environmental issues, we will continue to provide safe and reliable products and services to our customers and society.

^{*} A cleanroom classification under the U.S. Fed standard (FED-STD-209 E) indicating a space with a maximum of 1,000 particles sized 0.5 μm or greater per ft³.

Gas Equipment

The Yazaki Group began selling liquefied petroleum (LP) gas meters for the first time in Japan in 1963 and has worked hard to develop the LP gas industry and ensure a stable supply and the safety of LP gas through the provision of various products and services to date.

In fiscal year 2021, from the perspective of stable gas supply, we launched sales of *Hot Water Circulation Type ARORIZER*, an LP gas vaporizer based on the concept of being compact, lightweight, environmentally friendly, and with monitoring capabilities. The industry-first monitoring function (according to our research) enables users to constantly monitor the vaporizer's operation status and ensure stable supply by carrying out preventative maintenance to avoid breakdowns and other issues.

So that gas distributors can acquire expertise and technical skills, we also hold training courses four times a year to help them become certified LP gas equipment operators. In fiscal year 2022, we held the four training courses online, with 71 of the 72 participants passing.

Environmental Systems Equipment

In our environmental systems equipment business, we are meeting a wide range of customer needs to realize carbon neutrality by providing products and services that utilize renewable energy sources, such as solar heat and wood biomass, and unused energy sources, such as waste heat.

We have been offering a maintenance service to ensure the safety and reliability of our *Aroace* absorption chiller-heater, one of our mainstay products. In fiscal year 2022, we launched a new maintenance service option named the *Cooling/Heating Easy Switch Service*. One of the weaknesses of absorption chiller-heaters is the inconvenience involved in switching from cooling to heating. This new service option addresses this issue by enabling customers to easily switch from cooling to heating themselves, mainly during periods of significant temperature differences such as spring and fall. The option has enabled us to deliver vastly improved usability and a more comfortable environment.

Providing Information on Product Safety

We provide product instruction manuals with handling precautions and information to users to ensure that products are used safely. For example, in our electric wires, gas equipment, and environmental systems equipment businesses, we have made it easier for users to find the information they need by including relevant information and product support information on our websites. In our in-vehicle safety & service systems business, we also conduct training for retailers based on installation and handling manuals and provide regular training on new and existing products.

Working to Improve Quality

At the Yazaki Group, all divisions work together in accordance with relevant laws, regulations, ordinances, and standards to meet the expectations of its customers throughout the world by continuously providing safe and high-quality products and services.

For example, in our automotive business, we have established the Global Process Management System (GPMS), an integrated global framework for quality assurance across all stages, from product planning to design, production, and sales. We also work to fully achieve the quality, cost, delivery, environment, and safety (QCDES) goals and effectively improve the quality of our work itself through initiatives for providing products and services to our customers that leverage the strengths of the Yazaki Group.

In addition, we are obtaining, maintaining, and managing various quality standard certifications, such as ISO 9001

certification, which is a quality management system standard that ensures the continuous provision of quality products to customers globally, and IATF 16949 certification, a standard in the automotive industry.

With an eye to securing orders in the new business domain of flying cars, we are working to acquire certifications according to international standards (AS/EN/JIS Q 9100) for quality management systems in the aerospace and defense industries, and the UL Certification for meeting functionality and safety standards for electronic products. Through such efforts, we are consistently working to respond to our customers' needs and expand our business.

In addition, to prevent compliance violations such as quality inspection fraud, we engage in quality improvement initiatives including internal audits and quality management training, striving to continually provide safe, high-quality products and services.

Resolve social issues through our business

The Yazaki Group is helping realize a sustainable society through not just products that support a mobility society and products and services that can utilize a wide variety of energy sources, such as solar heat, waste heat, and wood pellets, but also an extensive range of business activities corresponding to nursing care, agriculture, the environmental recycling, and other areas.

Contributing to the Development of a Sustainable Society

Automotive Business

Various initiatives are being promoted around the world to minimize global warming and achieve carbon neutrality. In the automotive industry, one such effort is the promotion of electrification. To support the future of electrification, we are developing products that contribute to optimal battery placement and installation, helping to meet electric vehicle needs such as extended range, reduced charging time, and the utilization of existing charging infrastructure. As an example, we are increasing battery capacity and density by saving space inside cars through products with reduced height, integrated elements, and increased flexibility, such as battery busbar modules and highly flexible wires. We also offer products for high-voltage and high-current applications, such as our junction box, which helps to reduce charging time by employing series-parallel conversion.

Mobility Services

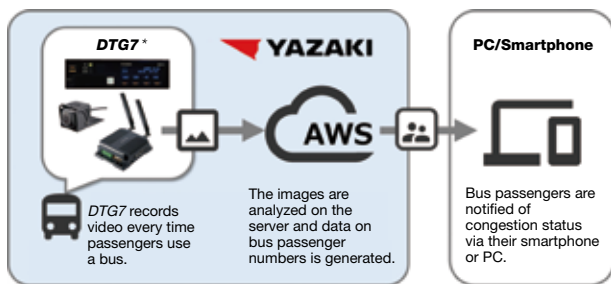
As part of our business activities that focus on contributing to the achievement of the SDGs, we develop and provide services that utilize technologies and data cultivated through our mobility services business. In 2022, we began the development of a system that measures loading capacities and ratios in trucks using 3D LiDAR.* Currently, we are conducting a demonstration test with partners on an off-board system for the visualization of load weights and ratios in trucks. This is essential for addressing labor shortages in the logistics industry, which are becoming a social issue, and responding to work-style reforms associated with the overtime cap to be enforced in 2024, improving logistics efficiency, and achieving carbon neutrality. For three years now, we have also been engaging in initiatives in Okinawa to reduce rental car accidents among visitors, which have become a community concern for the popular tourist destination. In fiscal year 2022, we partnered with the Okinawa Prefectural Police, the University of the Ryukyus, and the University of Tokyo, leveraging information and expertise gained across industry, academic, and government to develop a new model case study that can be expanded to communities beyond Okinawa.

* Light Detection and Ranging: A technology that is able to detect locations and object shapes with high accuracy.

In-vehicle Safety & Service Systems

In our in-vehicle safety & service systems business, we seek to realize safe, low-carbon smart communities through the provision of solution services featuring advanced safety management practices based on the use of in-vehicle safety & service systems and data to address issues affecting transportation, logistics, and passenger businesses, namely safety and security, the environment and energy conservation, productivity improvements, and efficiency and convenience, in accordance with the concept of connecting vehicles, infrastructure, and information.

As an example, in June 2021, we began a service that provides passenger count data to bus business operators in Ibaraki Prefecture by analyzing in-bus camera footage from driving recorders. Also, in addition to providing information on current bus locations and estimated arrival times at bus stops as it has previously, our bus user app can now display congestion information for buses, supporting safety and peace of mind when using local public transport amid the COVID-19 pandemic.



* Hybrid digital tachograph

Electric Wires

Our various types of electric wires and cables, which support social infrastructure, are being used at many construction sites. To support the construction industry, which is facing social issues such as an aging workforce and associated personnel shortages, our electric wires business contributes to improving work efficiency by providing products that enable work to be carried out safely, securely, and in a short period of time. For example, our *Yawaraka* cable reduces installation work time as it is easily reshaped, and our branched cables and unit cables are processed at factories in advance, thereby eliminating work that was previously done on-site. We will continue to provide products with exceptional workability to solve the issue of personnel shortages arising from increased construction demand in the construction industry.

For the environment, we adopted biomass plastic for shrink packaging* in March 2023 in an industry-first initiative. The inclusion of plant-derived material in the shrink packaging* contributes to the reduction of CO₂ emissions (related information: page 58).

We will continue to contribute to the realization of a sustainable society by providing products that contribute to construction efficiency and the environment.

* A plastic film that shrinks with heat to wrap around containers.

Gas Equipment

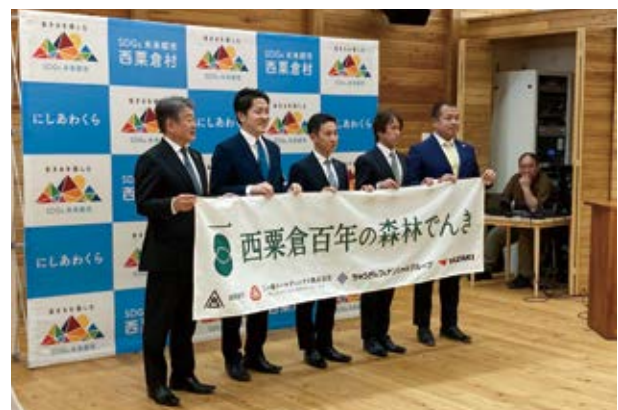
In recent years, efforts have been made to harness the IoT and LPWA* systems for wireless communications with the aim of rationalizing the LP gas business in response to such issues as depopulation and labor shortages in the LP gas industry. To assist the operation of gas centralized monitoring centers, the Yazaki Group provides automatic meter reading services and undertakes contract work for night and holiday security tasks, thereby playing a role in the work-style reform of gas sales business operators and contributing to solving their issues.

* Low Power Wide Area: A collective term for low-power, wide-area wireless communications

Environmental Systems Equipment

In our environmental systems business, we are helping to achieve a decarbonized society through the development and sale of such environmentally friendly products as heating and cooling equipment and solar hot water supply systems based on the use of renewable energy and unused energy sources.

For local governments that are aiming to sustainably manage forest resources, we are offering a wide range of solutions, such as utilizing woody biomass from forest thinnings and sawmill scraps to provide power generation, hot water supply, and heating and cooling. To illustrate, Techno Yazaki Co., Ltd. has been collaborating since 2017 with the local government in Nishiwakura Village, Okayama Prefecture, which is working to realize a decarbonization model, on projects for the introduction of biomass power generation and the promotion of local energy conservation and renewable energy. In May 2023, operations commenced at



Press release for Nishiwakura Hyakumori Denki Co., Ltd.

Nishiawakura Hyakumori Denki Co., Ltd., a power company jointly funded by the local government, Techno Yazaki Co., Ltd., and other partners. It focuses on the operation and management of small-scale hydroelectric power generation and district heat supply systems centered on PPA* arrangements.

We will continue to make efforts toward regional revitalization and carbon neutrality by working with local communities and governments.

* Power Purchase Agreement. An arrangement by which a power provider (the PPA business operator) installs a solar power system on sites or roofs provided by facility owners and supplies power to the consumer for a fee.

Nursing Care, Agriculture, and Environment & Recycling

Amid the globalization of the automotive industry, the Yazaki Group has been relocating production sites from Japan to overseas, which has led to the hollowing out of our domestic business. The Yazaki Group in Japan is working on businesses related to nursing care, agriculture and food, and the environmental recycling in order to take on the challenge of solving problems faced by local communities, including declining rates of childbirth, aging, and depopulation, while protecting local jobs.

In our nursing care business, a total of six companies provide services such as home-visit care and nursing homes to local residents in the regions where they operate. As of the end of March 2023, 663 individuals were utilizing these services, and we are paying utmost care to ensure they can be used in a safe and secure manner. In addition, as part of our community contribution efforts, we hold a Dementia Support Worker Training Course at the Yazaki Nursing Care Center, Kami Fusen (Susono City, Shizuoka Prefecture) to foster support workers who better understand dementia, the feelings of sufferers, and support methods. With the help of the local community, we train roughly 100 support workers in Susono City each year.

In our agriculture and food business, a total of two of our companies collaborate with local producers, residents, and companies in the regions they operate, growing specialty agriculture products (tomatoes) and producing and selling processed food, such as sorbet and cookies, made using local specialty products.



Processed food (sorbet and cookies) made using local specialty products

In our environmental recycling business, we manufacture and sell cushioning materials made from recycled shredded postcards.

We will continue to be involved in projects to induce the resolution of social issues faced by local communities in concert with regional partners.

Forest Regeneration Initiatives

In cooperation with the town of Yusuhara in Kochi Prefecture, in October 2006, the Yazaki Group launched a Wood Biomass Community Recycling Program promoted through a tri-sector collaboration involving local governments, forestry associations, and companies. Under the program, we carry out forestry conservation and regeneration activities with Yusuhara to contribute to the sustainable recycling of forest resources.

Since fiscal year 2021, we have participated in the Reiwa Forest Building Project launched by Yusuhara with the aim of promoting sustainable natural capital and a coexistence model. Under the project, we have engaged in initiatives based on dialogue and cooperation toward formulating and implementing its “Vision for Redefining the Value of Forests.” We have conducted tree planting every year since 2021 as part of these efforts.

In April 2022, Yusuhara was selected as a Decarbonization Leading Area by the Ministry of the Environment. We will continue to participate in the project to contribute to Yusuhara’s aim to be “a utopian town where people can live happily for generations.”

Yusuhara Reiwa Forest Building Project Results

Year	Tree planting area	Number of trees planted	Total number of participants (Number from Yazaki Group)
2021	0.2 ha	600	72 (30)
2022	0.2 ha	600	84 (38)
2023	0.39 ha	500	90 (40)



Tree planting in Yusuhara

Promote open innovation

We are promoting open innovation together with companies and universities for the purpose of boosting the sustainable growth of society and companies by solving business issues and developing new technologies and business models with new ideas, through proactive acts of co-creation and partnerships with outside parties.

Examples of Open Innovation Initiatives

Development of a Remote Control System for Construction Machinery through a Four-company Collaboration

In the construction industry, progress is being made toward the development of technology for the remote control of construction machinery to help eliminate labor shortages brought about by an aging population and lack of young workers, and to boost productivity on worksites through IT. This technology is expected to enable people to perform construction work from an off-site location, such as an office or home, and is also hoped to increase employment opportunities. It has also received much interest for its potential to resolve issues in society, where, among other possibilities, it may enable work to be performed more safely and efficiently in disaster recovery and rescue situations.

Since 2020, we have been participating in the Working Group for Construction Machinery Remote Control Systems held by the General Incorporated Association Transportation Digital Business Conference, where we have explored avenues for collaboration with other participating companies. This led us to enter a business alliance for the development of construction machinery remote control systems and a remote control business project with ITOCHU Corporation, ITOCHU TC Construction Machinery Co., Ltd., and ARAV Inc. We support the operation of this business by fully handling the installation of the remote control system on construction equipment and after-sales services to ensure safe operations.

Non-destructive Testing for Reducing Loss and Improving Quality for Welded Metal Parts

Aluminum is often used for vehicle battery-related components for its light weight, strength, and ease of processing. It is usually welded by using conventional methods such as ultrasonic and laser welding. To confirm the quality of the parts welded with these methods, a sampling inspection with destructive testing involving shearing and tearing is performed, causing the parts to become unusable in products and resulting in waste. There are therefore issues in terms of reducing the loss of parts, and improving quality through conducting a full inspection.

To address these challenges, since 2021, we have been engaging in research with the Nagoya Institute of Technology on non-destructive testing utilizing ultrasonic waves. We conducted research in which we investigated the feasibility of weld area measurement with a direct contact method by comparing the interface-reflected wave intensity transmitted and received with a planar ultrasonic probe* in contact with a terminal, with the weld area (figures 1 and 2) measured by visualizing the weld interface. If this technology can become established, it is expected to detect defects without destroying products, which will lead to loss reduction and improved quality.

* A sensor incorporating a transducer that can generate or receive ultrasonic waves

Figure 1 Weld area

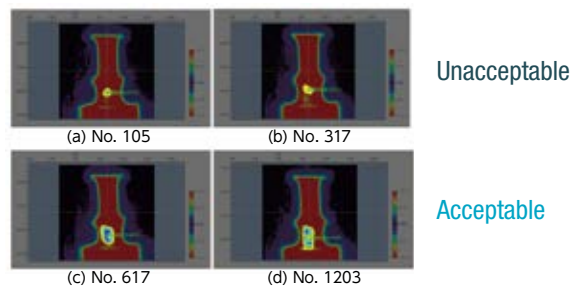
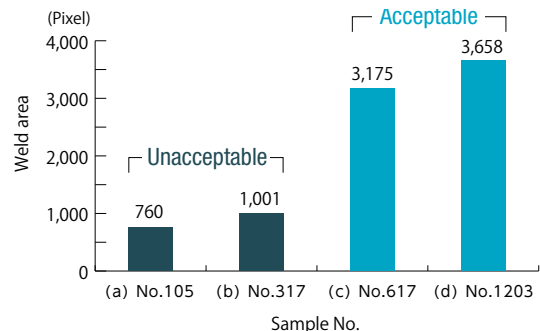
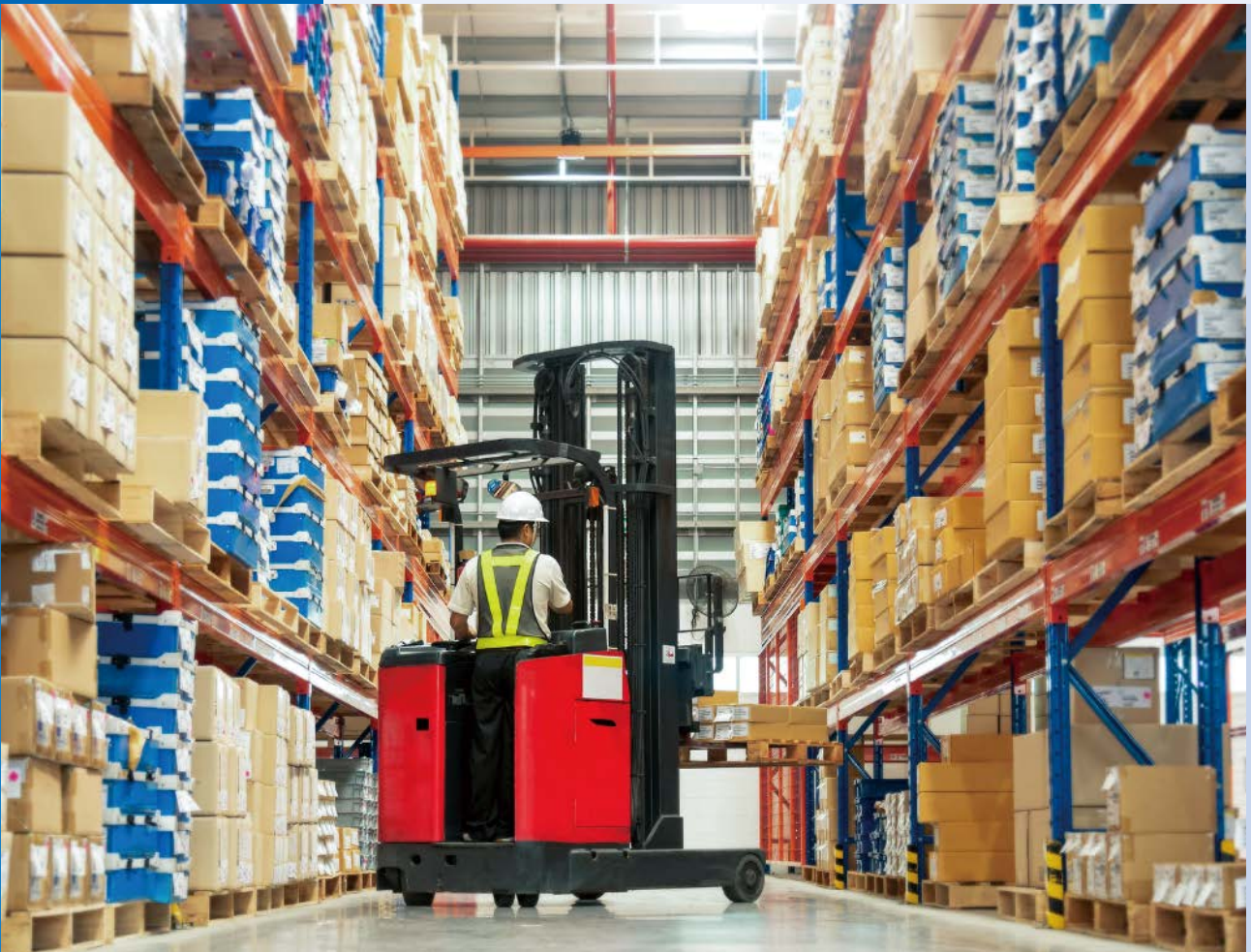


Figure 2 Weld area comparison



Priority Issue

Build healthy and solid supply chains



P32 Promote CSR procurement

As social issues become diversified and increasingly complex, it will be important to engage in CSR across the entire supply chain. Based on the principle of fair, equitable, and good-faith dealing with its suppliers, the Yazaki Group shares its CSR-related policies and goals and works together on resolving social issues. In order to prevail in the face of intense competition in the global marketplace, we will also endeavor to coexist and co-prosper with our suppliers, build strong, strategic partnerships, and forge a system that will allow us to rapidly adapt to changes in the business environment.

Promote CSR procurement

The Yazaki Group has prescribed the Purchasing Guidelines for supply chain management to ensure that there is a shared understanding of CSR matters with its suppliers and to promote procurement in line with CSR together with these parties.

Purchasing Guidelines

Based on the Fundamental Management Policy (4: Conduct business openly and fairly, and aim for coexistence and co-prosperity), we ensure the maximum business opportunity, set short-/long-term targets to be shared with suppliers, then implement coordinated investment and share the newly planned development and cost reduction achievement.

Action Guidelines

- 1 Conduct business openly and fairly
- 2 Strengthen competitiveness together with suppliers
- 3 Aim for coexistence and co-prosperity with suppliers
- 4 Share issues and target in cost reduction activity and its achievement
- 5 Ensure interactive communication based on mutual trust
- 6 In selecting a supplier, consider, not only the quality, cost, delivery time, and technology but also the status of social responsibility initiatives for environment, risk management, compliance, human rights, and labor conditions.

CSR Procurement Initiatives

The Yazaki Group clearly presents expectations to suppliers in regard to such matters as quality, performance, price, the environment, the working environment, information security, and safety and security, and we promote CSR activities with our suppliers accordingly.

We publish and distribute our Supplier CSR Guidelines for the purpose of cultivating a shared understanding of CSR and promoting CSR activities with suppliers. We also issue and distribute the Green Purchasing Guidelines in which we put together specific actions that we would like our suppliers to take with regard to the environmental protection activities stated in the Supplier CSR Guidelines. In addition to having suppliers carry out their own CSR activities based on these guidelines, we encourage them to do the same with their own suppliers.

In order to ensure that the Supplier CSR Guidelines are instilled and followed, we regularly distribute the Supplier CSR Self-Assessment Sheet and the Human Rights Initiatives Assessment Sheet to our suppliers and ask them to carry out self-assessments related to the state of their CSR initiatives.

After reviewing the results of the self-assessment sheets that are returned to us, we take the initiative in engaging in direct dialogue with suppliers who require improvement to better understand their situations and encourage them to take action. In fiscal year 2022, we distributed the Supplier CSR Guidelines and the assessment sheets to 1,515

suppliers both in Japan and overseas. Based on the results, we engaged in dialogue with 25 domestic suppliers and 19 overseas suppliers to encourage their understanding of CSR and ascertain the status of their progress and any difficulties they may be encountering. We will continue to promote CSR procurement in collaboration with our suppliers.

| WEB | **Supplier CSR Guidelines**

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



| WEB | **Green Purchasing Guidelines**

https://www.yazaki-group.com/file/csr_green_1.pdf



Dialogue with Suppliers

Operating in 46 countries and regions around the world, the Yazaki Group aims to optimally procure raw materials, electronic parts, wire harness parts, instrument parts, equipment, and various materials.

In order to share procurement policies and issues through two-way communications with suppliers in different regions around the world, we hold a general meeting of global suppliers once a year. As in fiscal year 2021, we held the Fiscal Year 2022 Purchasing Policy Meeting for our business regions in Japan and overseas online. Taking our

business situation into consideration, we had a total of 158 companies in Japan and 151 companies overseas participate to share details on business environments surrounding the Yazaki Group and our procurement policies. At the session, we awarded certificates of appreciation to suppliers that have contributed to enhancing our procurement activities from the perspective of technical innovations, cost reduction activities, and quality improvement. We invited a representative of the awarded suppliers in Japan to a face-to-face meeting to express our gratitude.

Initiatives for Achieving Coexistence and Co-prosperity with Suppliers

The Yazaki Group in Japan runs *Yaei-kai*, a cooperative whose members consist of 24 supplier companies, to promote CSR and encourage a thorough commitment to daily management across the entire supply chain through regular general meetings and information exchange meetings.

In fiscal year 2022, in addition to holding the *Yaei-kai*'s general meeting in September, we held a seminar on carbon neutrality to deepen understanding of the importance of reducing the environmental impact of the supply chain as a whole. As in fiscal year 2021, we also held study sessions on the themes of CSR, carbon neutrality, and safety and security on manufacturing sites. Ten suppliers participated in the safety and security study sessions, visiting outstanding companies for on-site tours with the aim of fostering personnel with the ability to apply what they have learned about fire and explosion prevention in their decision-making and actions.

Having endorsed the initiative of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Japanese Government, four Yazaki Group companies* formulated and announced a Declaration of Partnership Building in April 2022.

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

Thorough Management of Environmentally Hazardous Substances

To thoroughly implement preventative and recurrence-prevention measures for incidents involving hazardous substances, the Yazaki Group conducts surveys on its suppliers' use of chemical substances and substances subject to regulations and approval, and on the state of product assurances. We also carry out inspections of work processes to ascertain the state of work process management. Specific phthalate esters have been added to the restricted substances list of the RoHS Directive.*¹ As there is the possibility these substances can transfer when in contact with other substances, we regularly measure their content in

the products we purchase from our suppliers (excluding metal-based products) to verify safety.

In addition, following the revision of the GADSL,*² we have worked to share information with suppliers to ensure appropriate reporting is carried out in accordance with the General Rules and Guidelines Concerning the IMDS*³ Data Sheet, striving to uphold legal compliance with our suppliers.

*¹ EU directive on the restriction of the use of specified hazardous substances in electrical and electronic equipment

*² Substance list established under the collective agreement of a group comprised of various automotive manufacturers throughout the world

*³ International Material Data System

Responsible Procurement of Minerals

The Yazaki Group promotes procurement activities based on the Global Responsible Mineral Policy in order to avoid directly or indirectly funding armed groups, the perpetration of every kind of human rights abuse, including abuse stemming from the use of child labor, and environmental destruction in conflict-affected and high-risk areas (CAHRAs), including the Democratic Republic of the Congo and neighboring countries.

Societal requirements concerning procurement are intensifying, such as those set forth in the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the EU's Conflict Minerals Regulation, and the Organisation for Economic Co-operation and Development (OECD)'s Due Diligence Guidance. With this trend, the number of countries, risks, and minerals targeted by these requirements is also growing. To respond to this changing environment, we collaborate with our suppliers and industry groups to investigate smelters that produce minerals used in our products (tin, tantalum, tungsten, and gold). Moreover, as a member of the Responsible Minerals Initiative (RMI), an international organization that works to promote the responsible procurement of minerals, we implement initiatives to ensure that we use smelters that comply with the RMI's audit program and cooperate in activities conducted by the organization.

We will continue to work on further collaborating with suppliers and various industry groups to refrain from using minerals of concern wherever their use is revealed.

| WEB | **Global Responsible Mineral Policy**

<https://www.yazaki-group.com/en/csr/csr/#ResponsibleMineralsSourcingPolicy>



Priority Issue

Establish a truly strong organization



- P35 **Promote DE&I**
- P36 **Improve job satisfaction**
- P37 **Develop the next generation of human resources**
- P39 **Foster the corporate culture**
- P39 **Promote health management**
- P42 **Strengthen occupational health and safety**

The Yazaki Group believes that realizing the Fundamental Management Policy principle of “Care for people by creating a corporate culture that prioritizes individuality and teamwork, while empowering people’s dreams” will allow us to grow as an enterprise. In keeping with this principle, we intend to establish a satisfying working environment where all employees can reach their potential and where diverse work styles can be accommodated. In addition, our intent is to continually increase organizational capability and productivity. Our focus will be on promoting diversity, equity, and inclusion (DE&I), developing global human resources, and securing excellent personnel with outstanding skills.

Promote DE&I*

The Yazaki Group has a variety of global business segments and considers it important that human resources play active roles in its enterprise. We work to establish a working environment where all employees can achieve their full potential by respecting diversity in terms of nationality, race, sex, sexual orientation, age, place of origin, educational background, family relationships, disabilities, religion, or differences in form of employment, and by providing equal opportunities to all individuals without being swayed by social backgrounds, prejudices, or assumptions.

* Diversity, Equity, and Inclusion. The practice of respecting and accepting diversity among individuals and providing equal opportunity.

Promoting Active Roles for Women

The Yazaki Group has developed and is implementing a five-year action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace to support the active career building of female employees.

In fiscal year 2022, we held online diversity training for all employees to promote awareness and empower diverse individuals to play active roles, and we continued efforts from the previous fiscal year to introduce flextime and work-from-home systems. By April 2023, the implementation rate of systems that contribute to flexible work styles reached 85%, surpassing the initial target of 50%. By implementing flexible work-style reforms including working from home, we will continue efforts to promote female management candidates and female experts, which is one of our management goals.

Plan period	5 years (From April 1, 2021, to March 31, 2026)
Target 1	Increase the percentage of female management candidates from 3% in April 2021 to 7% or more and female experts from 4% in April 2021 to 8% or more
Target 2	Increase the introduction of systems that contribute to flexible work styles at sites (flextime, staggered working hours, work-from-home) from 23% in April 2021 to 50%

Active Roles of Older Workers

The Yazaki Group strives to establish post retirement re-employment systems (Senior System, Anchor System, and Elder System) to reemploy retired employees who possess advanced techniques and technical skills. In fiscal year 2022, we employed 56 employees in Senior* positions, 558 in Anchor* positions, and 135 employees in Elder* positions. In addition, we are working to secure employment opportunities for older persons up to the age of 70 in accordance with the Revised Act on Stabilization of Employment of Elderly Persons enforced in April 2021.

* Senior and Anchor Systems target permanent employees, while the Elder System targets associate employees.

Expanding Employment and Work Fields of Persons with Disabilities

The Yazaki Group is striving to create a working environment where all employees can make the most of their skills and aptitudes and work with enthusiasm; the Group is positively working to employ persons with disabilities. In April 2023, our special subsidiary Yazaki Business Support Co., Ltd., was the fifth Company in Shizuoka Prefecture to be recognized as an outstanding small and medium-sized employer for the employment of persons with disabilities (Monisu Certification System*¹).

In fiscal year 2022, we employed 329 persons*² with disabilities, including those newly hired, working toward an employment rate of persons with disabilities of 2.74%.*²



We will continue efforts to review and improve the internal system so that employees with disabilities can work more comfortably in the future.

*¹ The Monisu Certification System is a program through which the Minister of Health, Labour and Welfare of Japan certifies small and medium-sized enterprises excelling in efforts toward advancing and stabilizing the employment of persons with disabilities.

*² A total of Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation, and the special subsidiary Yazaki Business Support Co., Ltd., calculated on the basis of the Act on the Promotion of the Employment of Persons with Disabilities

Topics

Shizuoka Governor's Award for Outstanding Employees with Disabilities

In September 2022, an employee of Yazaki Business Support Co., Ltd., was awarded the Shizuoka Governor's Award for Outstanding Employees with Disabilities at the Shizuoka Prefecture Convention for the Promotion of Employment of Persons with Disabilities of the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers. They were recognized for their work as a recycling center leader, for undergoing job coach training to better understand coworkers with disabilities, and for their efforts as a Company Job Coach.

Improve job satisfaction

The Yazaki Group responds to changes in the social environment and satisfies the needs of employees. Our goal is to be an enterprise that is attractive for employees, their families, and other stakeholders, as well as the community, and thus we strive to create workplaces where employees can work comfortably and feel rewarded.

The Yazaki Group is striving to build trust relationships between labor and management by engaging in active communication, establishing a fair and equitable personnel system, and increasing employee engagement.

Improving Comfortable Workplaces

The Yazaki Group strives to create workplaces where all employees can demonstrate high motivation and achieve satisfaction. As in fiscal year 2021, we have continued to raise awareness of labor management and work-style reform and protect the mental and physical health of employees through efforts such as requesting that our workplaces monitor long working hours, conducting overwork prevention education, distributing lists of employees working over 80 hours of overtime per month to each division, and disclosing the status of monthly paid leave usage. In addition, we are implementing systems such as work-from-home to support flexible work styles for employees.

We will continue to provide employees with rewarding workplaces where their safety and security is ensured and they can work in a healthy and comfortable way and develop professionally.

Promoting Work-life Balance

The Yazaki Group is creating a culture where employees can use childcare and nursing care systems as needed. Under the April 2022 revision to the Child Care and Family Care Leave Law, companies are obliged to inform their employees of their childcare systems. In line with this law, and to encourage the use of our systems, we have outlined matters in guidelines on giving explanations at each workplace and are thoroughly checking whether eligible employees intend to take leave. In fiscal year 2022, we also made efforts toward fostering a culture where male employees can feel comfortable taking childcare leave, such as introducing those who have taken leave in our online internal newsletter.

Due to these activities, the rate of male employees using childcare leave increased from 2.2% in fiscal year 2018 to 35.3% in fiscal year 2022. Going forward, we will continue activities to make our company a place where employees can easily balance their work, childcare, and nursing care obligations.

Number of Employees Who Took Leave for Childcare, Nursing Care, and Elderly Care*1

(Employees)

Category		FY	2018	2019	2020	2021	2022
Childcare leave	Male		6	20	33	53	78
	Female		66	78	57	60	69
	Total		72	98	90	113	147
Retention rate after childcare leave the previous fiscal year*2	Male		100.0%	100.0%	100.0%	100.0%	90.6%
	Female		98.6%	98.4%	100.0%	96.5%	96.7%
Short working hours due to childcare			222	206	225	347	340
Nursing care leave			85	109	94	121	124
Continuous elderly care leave			1	2	5	6	5
Short working hours due to elderly care			4	3	6	7	4
Elderly care leave			11	11	24	25	25

*1 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

*2 Retention rate = Number of employees working 12 months after returning from childcare leave / Number of employees who returned to work from childcare leave



Interview with an employee who took childcare leave published in our online internal newsletter to encourage other male employees to take leave

Sincere Dialogue with Employees

The Yazaki Group believes mutual understanding and relations of trust between labor and management should lead to the growth and development of both the group companies and employees; consequently, the Group is working to improve its personnel system and workplace environment in collaboration with the Yazaki Labor Union. In the Yazaki Group Labor–Management Joint Declaration, we have set forth our commitment to the creation of a corporate atmosphere and culture that fosters mental and physical health. To realize this, the Labor Affairs Review Committee and Branch Office Labor–management Conference meet once a month, in addition to the annual labor council, to examine regulations and verify performance. We also strive to exchange opinions between labor and management through biannual branch office visits.

In fiscal year 2022, we held labor–management discussions to examine the introduction of an hourly paid leave system for enabling employees to work more flexibly. We will continue to promote activities aimed at a better working environment through the collaboration of labor and management.

Further Improving the Personnel System

A personnel system of the Yazaki Group called Rewarding Employees Who Worked Hard has been established to properly evaluate employees motivated in their roles and who have produced excellent results.

This system covers all employees, and evaluations are conducted based on the two approaches of “Management by Objectives” and “Role Behavior.” Superiors and subordinates

set and confirm annual goals and priority action items at the beginning of each fiscal year, and evaluations are conducted on a half-yearly basis. In fiscal year 2022, we continued efforts from the previous fiscal year to provide training for newly appointed managers, aiming to further disseminate the practice of setting appropriate goals for evaluations.

In addition, we are considering making part of the evaluation index for management at the overseas regional headquarters the same as the index used at domestic sites in order to create fair and equitable personnel evaluations throughout the Group.

Enhancement of Employee Welfare Benefits

The Yazaki Group is working to enhance employee welfare benefits based on its belief that both a sound working and living environment are important in enabling employees to play active roles. In addition to maintaining cafeterias at sites with many employees, we provide lunch cost assistance to sites that do not have cafeterias. We also support our employees in living stable lives by providing dormitories for single employees and those working away from their families, as well as company housing. To enable our employees to easily prepare for their retirement, we have put in place a retirement benefit plan and defined-benefit pension plan, and we have also established a non-mandatory defined contribution pension plan. For our overseas group companies, we take into account the laws and customs of the countries and regions we operate in and manage employee welfare benefit systems accordingly.

Develop the next generation of human resources

As work styles expand with the incorporation of diversity, equity, and inclusion, the Yazaki Group will emphasize employee development and work toward human development to bring out the full potential of the individual and the team.

Training System

The Yazaki Group is actively providing learning opportunities to employees who wish to grow in order to foster individuals who can understand and share the Yazaki Group Corporate Policy, proactively tackle changes in the environment, think and act autonomously, and work collaboratively. At the Yazaki Group, education and training is based on voluntary participation, and we have put in place a variety of programs in Japan and overseas that align with employee growth.

For our grade-based training in fiscal year 2022, in addition to online training, we introduced hybrid training involving a combination of online and in-person methods, providing opportunities for participants to learn as if they were in a face-to-face environment.

Yazaki Leadership Development Seminar

The seminar is provided for young managers and manager candidates who were recommended by their division heads. The purpose of the seminar is to develop basic management

knowledge and leadership, along with business skills and the mindset of playing an active role under diverse environments.

Yazaki-juku (Dialogue with Top Management)

We organized the *Yazaki-juku* as a place for employees to exchange views directly with top management, deepen mutual understanding, and gain a wider perspective. The Follow-up Workshop was first held in 1983 where employees who had worked for the Yazaki Group for over five years discussed the principles and objectives of the Yazaki Group with the honorary chairman. At the Management Roundtable Conference, first held in 1999, department managers exchanged views with the president about their visions of how to manage the workplace.

Yazaki Corporate Culture Training

This human resource development program invites employees of the overseas sites to Japan. They study the Japanese language and culture and gain work experience in Japan to promote an understanding of the Yazaki Group's corporate culture.

Overseas Trainee Program

In this system, employees acquire the skills required to smoothly conduct overseas work and related operations through language and business training in overseas sites for up to one year. They acquire new perspectives on communication and on how to proceed with operations on a global team. Also, this system gives employees an opportunity to think deeply again about the Yazaki Group Corporate Policy. As of June 2023, three employees had been sent overseas.

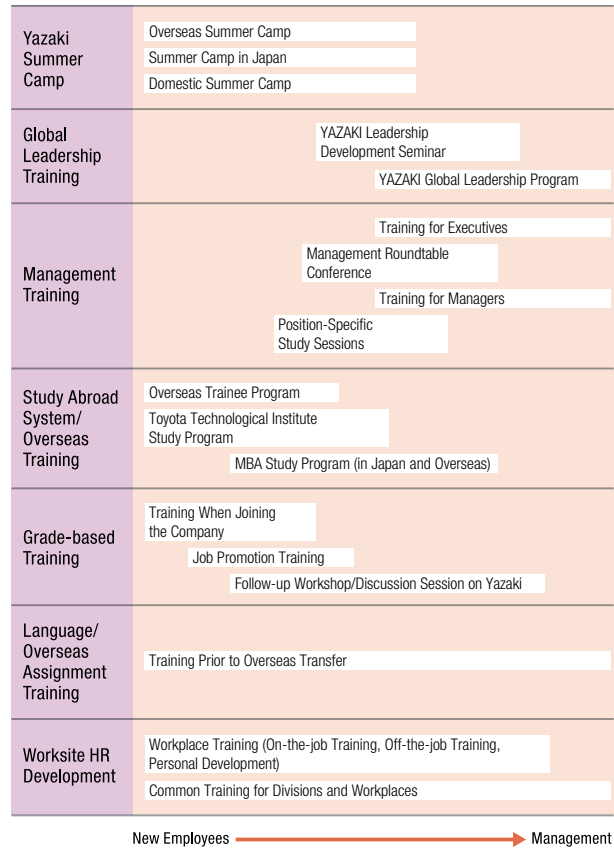


Quality Circle Competition (The fifth person from the right is a trainee sent from Japan.)

MBA Study Program

Through the MBA Study Program, we send employees with five or more years of work experience to educational institutions in North America, China, India, and Japan. This program aims to develop the skills required for the corporate operation of the Yazaki Group and to develop human

Educational System Chart



resources who will play core roles in business in dispatched countries. One employee who had been dispatched to an educational institution in North America for a two-year period commencing in 2021 returned to Japan after completing an MBA.

Promotion of Activities That Support International Understanding

The Yazaki Group believes that it is important for employees to combine the skills of creativity, autonomy, language, and an understanding of different cultures to foster global personnel who can take on challenges. Going forward, we would like to expand activities that support international understanding by cooperating in the development of global personnel activities at local educational institutions and other companies.

The Adventure School, started in 1993, is part of these support activities. So far, more than 1,300 people have participated and stayed in 44 host countries in gaining skills overseas, with one person participating in the program in fiscal year 2022.

Foster the corporate culture

The Yazaki Group believes that it is important for employees working in 46 countries and regions throughout the world to share the same ideas and head in the same direction to achieve the Yazaki Group Corporate Policy. Thus, we are working to disseminate the Corporate Philosophy.

Disseminating the Corporate Philosophy

In each phase of training, including training when joining the company, job promotion training, position-specific study sessions, and training prior to overseas transfer, we educate employees on the Yazaki Group Corporate Policy for the purpose of disseminating, embedding, reaffirming, and increasing understanding of our Corporate Philosophy. We tell employees that an understanding of the Corporate Philosophy, achieved by thinking about the relationship between their own work and the Corporate Philosophy by individuals and as a group, will lead to the development of the company as well as the individuals.



Corporate Philosophy training for group leaders at PT. Subang Autocomp Indonesia.

Additionally, we prepare common training materials for the dissemination and entrenchment of the Corporate Philosophy and provide training sessions for management that are run through regional headquarters. In fiscal year 2022, we provided support for this training, managed training plans and results for each regional headquarters, and collected examples of how our Corporate Philosophy was communicated in training at each site. We will continue to provide support so that training can be continuous in each region in the future.

Promote health management

The maintenance and promotion of good health for employees are vital in order to achieve their best-possible potential. We implement health measures for raising health literacy* to empower each employee to be individually and independently active in improving their health.

* The ability to find and use information on health and treatment

Improving Mental and Physical Health

In accordance with the President's Health Declaration and the Yazaki Group Health Management Strategy Map, which aims for its realization, we put efforts into the management of physical health for early recovery from illness and prevention of exacerbation, as well as the prevention of mental health disorders caused by the workplace environment. To create a workplace where employees can work enthusiastically, three divisions involved in health management—the General Affairs and Personnel Division, the Yazaki Health Insurance Association, and the Wellness Center—have developed a health management promotion framework and are implementing “collabo-health.”*

For physical health measures, we have set the target of ensuring that 100% of Yazaki Group employees receive regular health checkups, and that 100% of employees at high

risk receive follow-up checkups so that they can receive early treatment for illnesses or prevent their worsening.

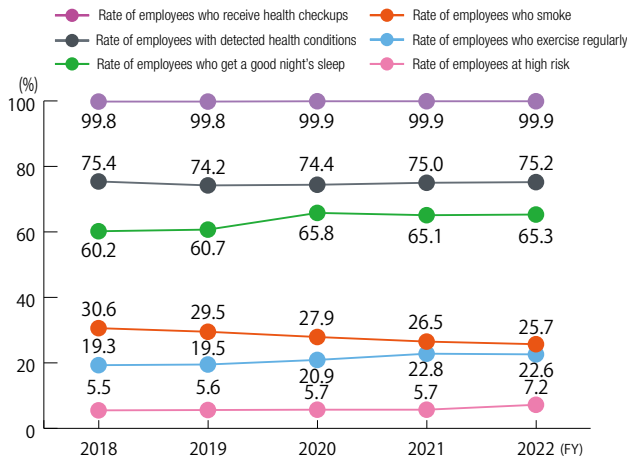
Mental health measures include stress checks. We actively conduct interviews and offer guidance from doctors (which is legally required) and health-related consultations (with nursing staff for employees with a high degree of stress) so that employees can feel comfortable voicing any concerns.

In order to realize a workplace environment where all employees can work comfortably, we strive to improve the workplace environment by examining both the state of stress in workplaces and the results of engagement surveys that quantitatively measure the relationship between employees and the company. As a result of these efforts, we have been selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program since 2018.



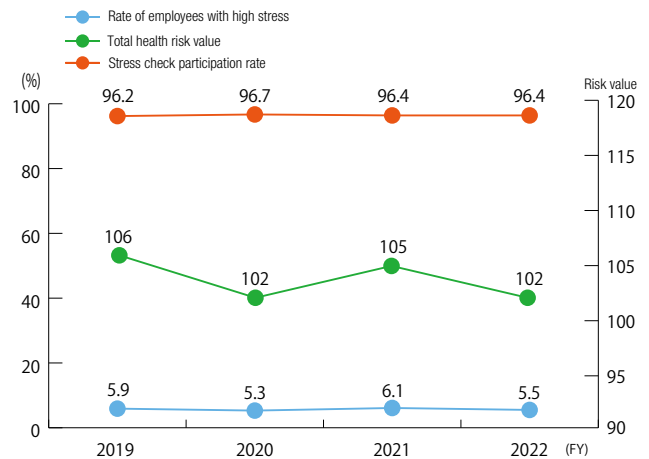
* An arrangement whereby insurers and employers collaborate to efficiently and effectively implement preventative health and health promotion initiatives for subscribers under clearly defined roles and a favorable work environment

Status of Physical Health*



* Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Status of Mental Health*



* Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Main Initiatives for Responding to Health Issues

Action item	Health issue	Target	Initiatives
Lifestyle disease prevention	The percentage of employees with detected health conditions (those require follow-up checkups and higher) remained at over 70%, with a high number of people at risk of lifestyle disease.	Less than 70% of employees with detected health conditions	To implement health guidance for as many employees with detected health conditions as possible, we actively encourage employees to receive specific health guidance in collaboration with the Yazaki Health Insurance Association.
			To lower the percentage of employees who smoke, we support smokers in quitting smoking through cooperating with the Yazaki Health Insurance Association and regularly conducting a company-wide non-smoking day.
			We visualize health issues at each site by summarizing regular health checkup data in the Yazaki Health White Paper. Each site implements their own health measures to tackle their own issues.
Reducing the risk of lost work time and illness	The total health risk value of workplaces is higher than average, and there is a high level of risk for lost work time and illness.	Total health risk value of less than 100	Based on the results of the stress check and engagement survey, all workplaces identify their own issues in their departments and carry out workplace improvement initiatives. The secretariat also supports workplaces with particularly high degrees of stress over time.
			With the aim of reducing the impact of stressors, we have added a topic called "Improving Support to Reduce Workplace Stress" to our annual Self- and Line-care Training, working to strengthen support between superiors and subordinates and among colleagues.
			To prevent the recurrence of lost work time due to mental illness, we manage employees using an original health check sheet after they return to work, and have formed a follow-up system for reinstated employees that supports them in their work duties, health management, and other areas.

Health Management for Those on Overseas Assignment

For employees working abroad, practicing the same health management as in Japan has proved difficult because these individuals must live long term in places very different from Japan in terms of healthcare, sanitation, and food. Therefore, the Yazaki Group provides a special health management system for employees working abroad, to help make health management at least a bit more similar to that of employees working in Japan, and offers equivalent health management to accompanying families.

Employees working abroad and family members undergo thorough medical checkups for physical health and mental health once a year in their health management

system, with all health data examined by occupational physicians overseas to ensure early detection of any illness.

We also have a 24-hour advice line just for employees on overseas assignment, and they can access the service at any hour from any country.

We reduce overseas health risks by only approving transfers after confirming the current and past physical and mental health history of the employees and verifying local medical services and the site's support framework.

In addition, we strive to prevent the contraction and worsening of diseases in the assigned countries by covering costs to ensure that transferees are vaccinated as recommended by the government for each region and distributing household medicine for mild symptoms of diseases.

Efforts of the Wellness Center

The Wellness Center offers a variety of programs to create a corporate culture where employees can develop and nurture healthy ways of living and working and conducts activities to get people working in the Yazaki Group and the organization involved with one another to realize a culture where both can grow healthy.

Specifically, the center appoints Wellness Promoters in each department, who lead activities that heighten wellness. At the Wellness Promoters Conference held in fiscal year 2022, we implemented a program for fostering connections between Wellness Promoters across divisions. Program participants had the opportunity to share their activities and challenges.



The Yazaki Group Wellness Wheel. It is comprised of five factors that represent wellness.

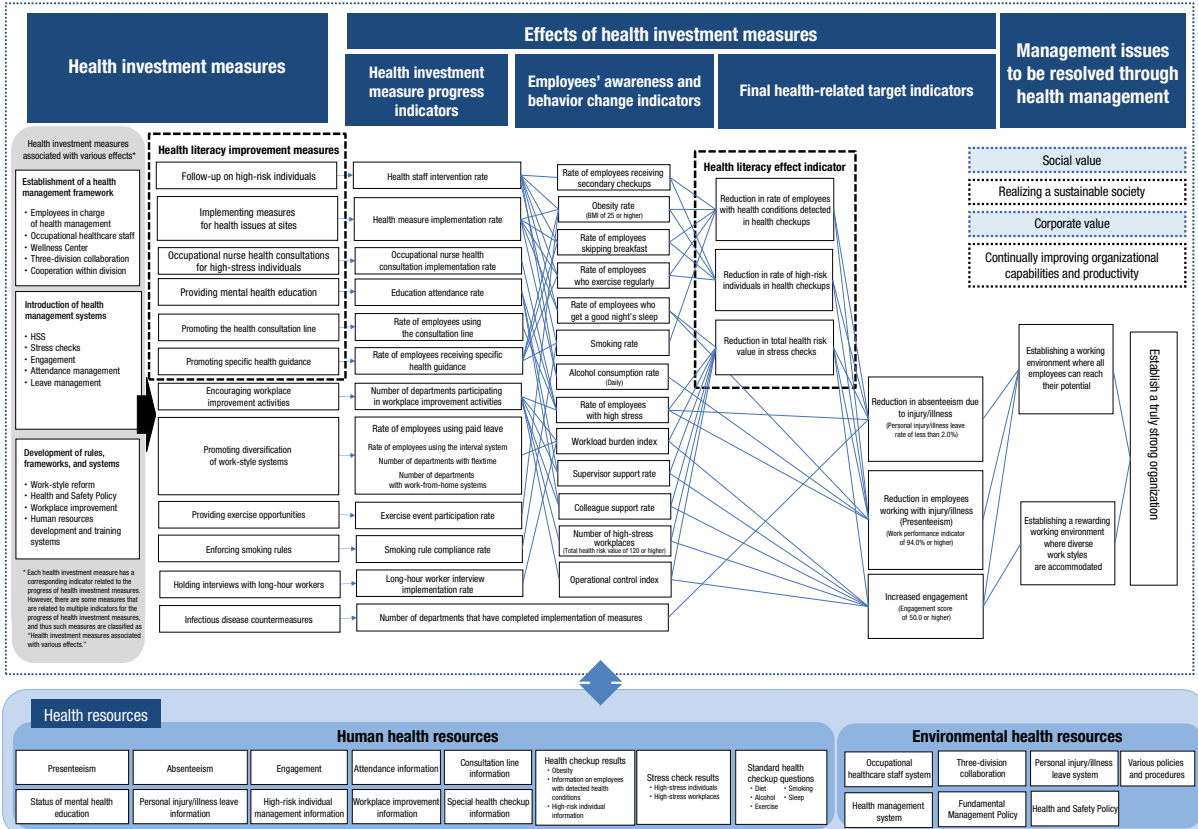
Topics

Visualizing Yazaki's Health Management Strategy

For effective health management, it is important to identify management issues that need to be resolved and visualize how health maintenance and improvement measures being implemented are linked to the resolution of such issues. At the Yazaki Group, we

have created the strategy map below and are working to strategically address management issues that are related to health so that we can establish a truly strong organization.

The Yazaki Group Health Management Strategy Map



Strengthen occupational health and safety

The Yazaki Group established the Yazaki Group Health and Safety Policy through the mutual cooperation of the Yazaki Group and employees to ensure health and safety in the workplace and strive to accomplish assigned duties.

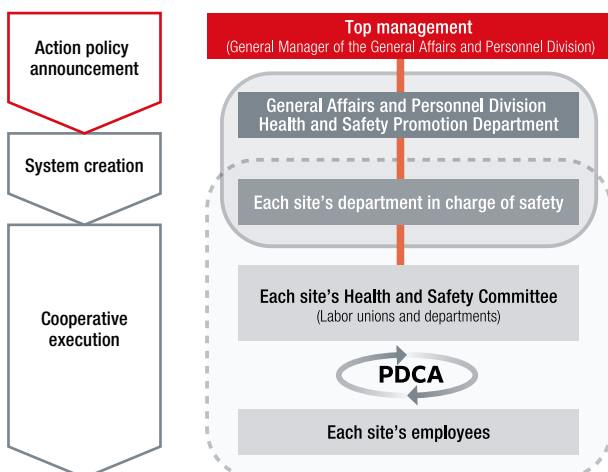
Health and Safety System

The Yazaki Group seeks to firmly establish a safety culture based on the Yazaki Group Health and Safety Policy and thus promotes the establishment of a safe working environment.

Within our domestic production sites, we strive to improve the working environment by prioritizing the safety of employees, temporary staff, and external contractors through such means as conducting workplace diagnoses to evaluate the level of safety and health management based on the occupational safety and health management system. In the event of an industrial accident, we respond immediately and ensure that information and countermeasures are shared within the company in an effort to prevent the recurrence of similar accidents. In addition, we work to reinforce the health and safety management system by having the Health and Safety Promotion Department conduct verifications, provide guidance, and carry out cross-checks on occupational health and safety at production sites throughout our business.

We strive to prevent similar accidents globally by sharing information on industrial accidents based on the Global Health and Safety Policy. We also try to thoroughly follow the rules to prevent serious disasters and strive to increase safety awareness.

Diagram of Occupational Health and Safety System



FY 2022 Yazaki Group

Health and Safety Policy

1. Top management and all employees take unified action for health and safety initiatives based on compliance and to try to firmly establish a safety culture.
2. Our work sites and the Health and Safety Promotion Department cooperate to maintain and strengthen health and safety management systems, conduct risk assessments, and prevent occupational accidents.
3. We work to enhance workplace communication and maintain and promote employees' physical and mental health with new measures.

Hitoshi Sakai

Director and Executive Vice President
General Manager, General Affairs and Personnel Division
Yazaki Corporation

In fiscal year 2022, we set three safety management activity targets based on the Yazaki Group Health and Safety Policy to address issues in a focused manner.

The industrial accident frequency rate (lost work time) at the Yazaki Group in Japan was 0.29 with a severity rate of 0.0084 in fiscal year 2022. We aim to move forward in further reducing the number of industrial accidents by working Group-wide with training to prevent the recurrence of minor industrial accidents in the future.

Safety Management Activity Targets and Results

	Target value	Result
Targets	Zero major occupational accidents	0 accidents (Achieved)
	Zero accidents at facilities caused by violations of the "Stop, Call, Wait" rule	2 accidents (Not achieved)
	Zero accidents caused by violations of <i>poketenashi</i> * walking fall prevention rules	1 accident (Not achieved)

* Safety acronym for five rules for the prevention of falling while walking

Frequency Rates of Occupational Accidents/Severity Rate/ Number of Accidents (All Factories in Japan)

	FY 2020	FY 2021	FY 2022
Frequency rate*1	0.36	0.45	0.29
Severity rate*2	0.0066	0.0068	0.0084

*1 Frequency rate of occupational accidents: Number of people injured or who died due to occupational accidents per one million working hours, indicating the frequency of occupational accidents

*2 Severity rate of occupational accidents: Number of workdays lost per 1,000 working hours, indicating the severity of occupational accidents

Occupational Health and Safety Training

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

Within the domestic Yazaki Group, we are working to improve the safety awareness of employees by providing employment stage-specific health and safety training for everyone from new employees to management, practical safety training to heighten employee risk sensitivity, risk prediction training, and traffic safety education. We systematically promote the acquisition of qualifications to secure personnel who are able to take over positions requiring the qualifications of health officers and work supervisors.

Globally, we have defined common training items for the prevention of major occupational accidents, and we conduct training in all regions to increase employee safety awareness and prevent occupational accidents.

Fire Prevention Measures

The Yazaki Group is proceeding with fire prevention measures to protect the lives of employees and corporate assets from fires and prevent any influence on the community and customers.

We are improving the fire prevention management rules to prevent fires caused by electric facility equipment and chemicals, as well as the fire prevention management system for domestic sites. We periodically check whether fire prevention management is properly conducted and make progress in improvement.

In addition, we provide managers with fire prevention management training to increase their awareness and promote understanding of the Fire Service Act and fire prevention management.

Globally, we are working to prevent the occurrence or recurrence of fires in each region by promoting fire prevention management activities and sharing past examples of fire incidents and countermeasures.



Fire prevention management training

Health and Safety Training System Diagram

* Includes outside training

Aims / Time	Personal development			Workplace creation	System building
	Entry	Promotion	Specialized		
Grade	Specialized			Priority items	Company-wide advancement and follow-up initiatives
Officials and managers		Seminar for new managers Seminar for new leaders	Training given when work changes Foreman training* Practical safety training Practical safety training instructor development training General life-saving workshop* General life-saving instructor development training* Training for earning various qualifications (Health officers and others)* Traffic safety education Trainings unique to workplaces* Self-care training Line-care training RTP (Resource Training Program) training	SC (Safety Communication) circle activities Risk assessment initiatives Site health and safety diagnosis Health and safety legal compliance checks	Branch offices/Management health and safety liaison councils Nurse training Factories Health and Safety Committees/Meetings of persons in charge
General employees	Training for persons joining the company at mid-period	Job promotion training			
New employees	Training for persons joining the company				

Priority Issue

Contribute to development of local communities



P45 **Contribute to development of local communities**

Local communities provide a foundation for the continued survival of enterprises. As such, an enterprise's growth cannot be separated from the economic and social development of the local communities. Because we do business globally, the Yazaki Group is thankful to people in the many countries and regions that have supported us and enabled us to grow. Therefore, we strive to bring joy and happiness to people around the world by actively addressing problems faced by each country and region as we work to resolve those issues.

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

Contribute to development of local communities

At the Yazaki Group, we emphasize the contribution to society through manufacturing and the contribution to the development of local communities in partnership with the local people living there. We listen to each community's challenges, expectations, and demands and then promote continuous activities and contribute to nurturing the next generation through our initiatives like the Yazaki Summer Camp.

Selected global sustainability initiatives, including those that contribute to the development of local communities, are outlined on pages 71 to 76.

Nurturing the Next Generation

Yazaki Summer Camp

As one of our activities that embody the Yazaki Group Corporate Policy, we have held a summer camp since 1977 to provide children, who are our future, with the opportunity for diverse experiences. The summer camp started from the idea of the then president (present honorary chairman). Since the time busy employees could spend with their children decreased at that time, he wanted to show his gratitude to employees by providing an experience that would serve as a wonderful memory for the children of employees. This camp has programs for the children of employees in Japan and from overseas workplaces, and children from various countries and regions participate in the programs every year.

Particularly in the Overseas Summer Camps in the countries with overseas business sites for children of employees in Japan and Summer Camp in Japan for overseas children who are invited to Japan, children can experience different cultures and gain an understanding of diversity in society, culture, and customs, and expand their international perspectives. The camps also provide opportunities for children to make new friends and have new experiences while increasing their interest in protecting the global environment and deepening mutual understanding through international exchanges. The camps, through advance training sessions and the day of the event, also serves as a place to develop the leadership and communication skills of the employees who participate in the camp as instructors.

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

In fiscal year 2020, we gave first priority to lives of participating children, employees, and stakeholders and called off



Yazaki Summer Camp in Japan participants in July 2019

these camps from the perspective of prevention of the COVID-19 infections. These camps were also canceled in fiscal year 2022.

Supporting the Infrastructure of Local Communities

Yazaki Kizuna Foundation

The Yazaki Group engages in activities to support the sustainable development of local communities.

With the aim of promoting mutual understanding and economic cooperation through international exchanges, the Yazaki Kizuna Foundation, which was founded in 2018 through our contributions, carried out activities to contribute to the creation of employment and talent development in the Independent State of Samoa, where we manufactured wire harnesses until 2017.

With regard to talent development, the foundation began providing scholarships to students of the National University of Samoa in 2018, and by 2023, a cumulative total of 139 students had received support. The foundation is also providing assistance to small businesses to contribute to the creation of employment. From 2019 to 2021, it provided grants for vehicle purchases and facility enhancement to Women In Business Development Incorporated, which aims to develop the economy of rural areas in Samoa, and from 2021 to December 2023, it has provided grants to Lakapi Samoa (formerly Samoa Rugby Union) to support their programs for training young athletes.

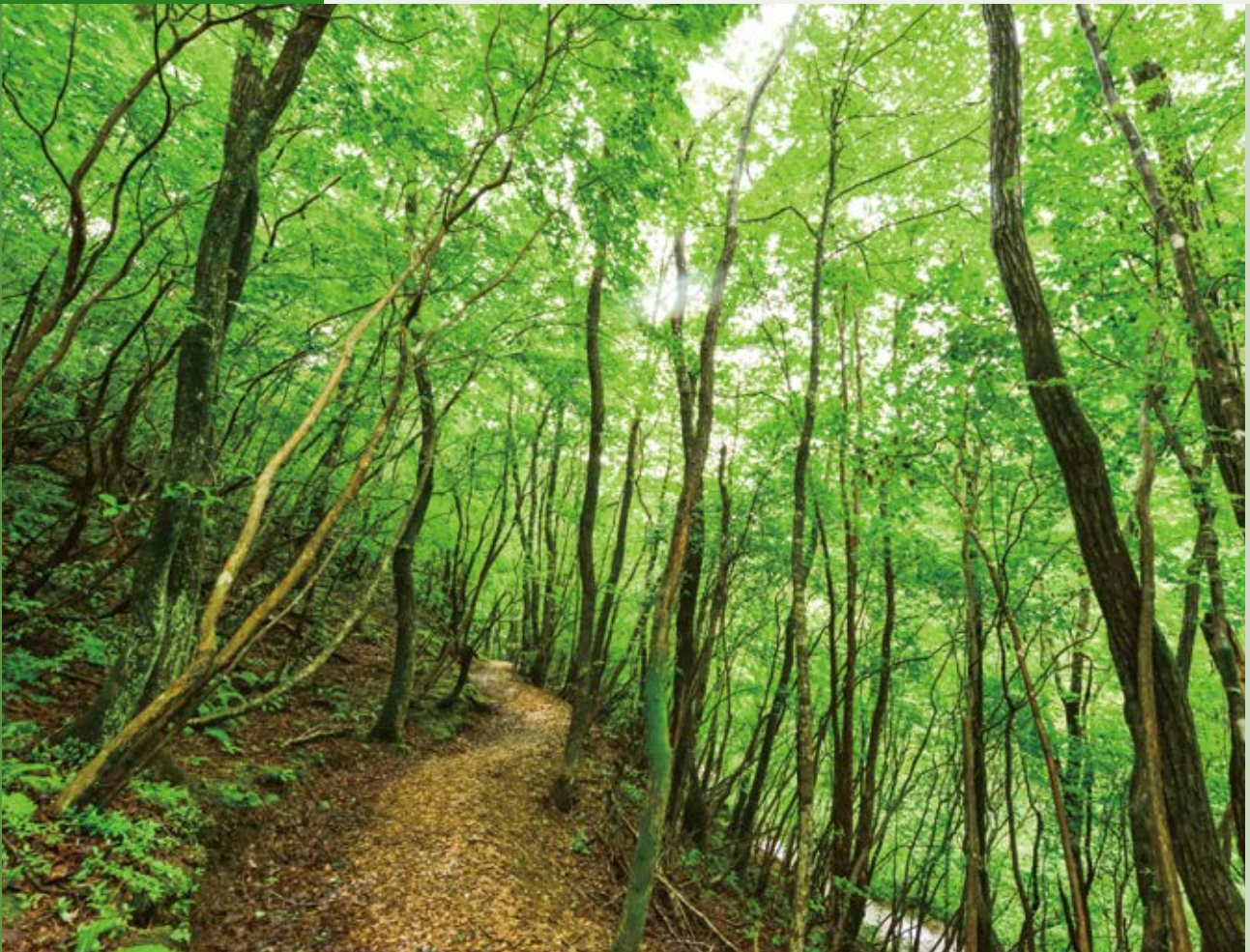
| WEB | Yazaki Kizuna Foundation
<https://www.yazaki-kizuna.jp/en/>



The Sixth Scholarship Awards Presentation Ceremony held in May 2023

Priority Issue

Strengthen the global environmental management system



P47 **Enhance environmental management**

P50 **Mitigate and adapt to climate change**

P53 **Prevent pollution**

P53 **Conserve biodiversity**

P54 **Closely manage harmful chemicals**

P55 **Formation of a recycling-based society**

P57 **Water resource response**

P58 **Environmentally friendly design**

The Yazaki Group recognizes that preserving the global environment and its resources is a serious concern shared by all humankind. In line with our Fundamental Management Policy, we will strive to make the world a better place and work to enrich society through environmentally sound business activities and employee volunteerism.

The Yazaki Group aims to help resolve global problems and realize a sustainable society by reducing CO₂ emissions throughout the supply chain. This will be achieved by using resources effectively, strictly managing harmful chemicals, and developing and offering environmentally friendly products and services.

Enhance environmental management

The Yazaki Group carries out environmental conservation activities globally based on the Yazaki Global Environment Charter. We also build ISO 14001-based environmental management systems at sites in Japan and overseas, and have established YAZAKI Green Purchasing Guidelines and work to reduce environmental impact throughout the supply chain.

Yazaki Global Environment Charter (Established in 1997, partly revised in 2012)

Environmental Policy

The Yazaki Group recognizes that the preservation of the global environment and its resources is a serious concern shared by all humankind. 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 through the contribution of energy-saving products.

3 Promote the efficient use of resources towards the formation of a recycling-based society

Utilize resources by promoting waste recycling and reduce discharges.

4 Manage and reduce environmentally hazardous substances

Improve the management of environmentally hazardous substances in the products and the production process.

5 Develop environmentally friendly products

Consider global warming, recycling, and environmentally hazardous substances when developing products.



Organization of the Action Guidelines

Message from the Head of the Environmental Division

Contributing to a Recycling-based Society and Realizing Carbon Neutrality

Amid intensifying environmental issues on a global scale, such as climate change, biodiversity loss, and pollution, governments throughout the world have established policies to limit the rise in the earth's temperature to 1.5 degrees Celsius. In alignment with these policies, the Yazaki Group has raised its CO₂ emissions reduction target to respond to accelerating global climate change, aiming for a 39% reduction by fiscal year 2030 compared to fiscal year 2017, and is working hard to achieve it. We will contribute to a recycling-based society and work to achieve carbon neutrality throughout our entire supply chain by engaging in such efforts as switching to clean energy in response to the global energy crisis, developing products that use renewable materials, and reducing loss through proactive initiatives.

We are deeply aware of the role the natural environment and biodiversity play in supporting our economy, lives, happiness, and health. Accordingly, we strive to evaluate the risk that production processes pose to global warming, resource circulation, and biodiversity, and we engage in corporate management that leverages natural capital.

To create a sustainable future, the Yazaki Group will remain committed to transforming and taking on challenges as it grows alongside society.



Toshihiro Ito

Managing Executive Officer
General Manager,
Quality Management Division
Yazaki Corporation

The Yazaki Environment Initiatives Plan (FY 2022 Results/Evaluation and FY 2023 Targets)

Ongoing: Continuous implementation of improvements
 Evaluation ✓ : Target achievement of 100%
 △ : Target achievement of 90% or more
 × : Target achievement of less than 90%

Item	Desired state / Aim	Target fiscal year	FY 2022 result	Evaluation	FY 2023 target
Enhance environmental management					
Environmental communication	· Continuous corporate improvement through two-way communication with stakeholders	Ongoing	· Held stakeholder meetings at production sites	✓	· Hold stakeholder meetings at 11 production sites
Environmental education	· All employees have awareness of the natural environment and engage in environmental efforts based on their own initiative	Ongoing	· Held specialized training for each region, site, and division (education on environmental laws, management of harmful chemicals, etc.)	✓	· Hold specialized training for each region, site, and division
Environmental compliance	· Compliance system is reinforced by improving mechanisms and operations through regular audits	Ongoing	· Conducted planned audits in each region - Cross-audits on environmental laws: 65 sites	✓	· Conduct cross-audits in each region and country
Strengthening environmental management in the supply chain	· Environmental issues are shared with suppliers and the PDCA cycle is continually implemented	2025	· Supported suppliers' environmental management improvements - Held carbon neutrality study sessions - Visualized energy consumption and supported CO ₂ emissions reduction measures	✓	· Ascertain suppliers' environmental initiatives and support improvement activities
Development of an integrated environmental management system	· Internal control system is strengthened through the integration of environmental management systems	2027	· Expanded ISO 14001 multi-site certification (Japan, Thailand, Vietnam)	✓	· Integrate environmental management systems
Consideration of and contribution to biodiversity	· Biodiversity conservation activities carried out continuously in accordance with the characteristics of each region and site	Ongoing	· Conducted planned activities in each region and site (forest maintenance, biological habitat conservation, etc.)	✓	· Conduct planned activities in each region and site
Take action to prevent global warming					
Reduce CO ₂ emissions	· FY 2050: Carbon neutrality · FY 2030: 39% reduction in CO ₂ compared to FY 2017 globally	2030	· CO ₂ emissions: 19% reduction compared to FY 2017	✓	· CO ₂ emissions: 6% reduction compared to FY 2017
Promote the efficient use of resources towards the formation of a recycling-based society					
Reduce the amount of waste	· Continuous waste reduction in each region	2030	· Achieved set targets in each region · Amount of waste at domestic sites: 14% reduction compared to FY 2018	✓	· Achieve targets in each region · Amount of waste at domestic sites: 3% reduction compared to FY 2018
Use water resources effectively and minimize impact on them	· Effective use of water resources (quantity, water quality) and continuous improvement activities in each region	2030	· Achieved set targets in each region · Water consumption at domestic sites: 13% reduction compared to FY 2018	✓	· Continuous implementation of planned improvement activities in each region · Water consumption at domestic sites: 4% reduction compared to FY 2018
Manage and reduce environmentally hazardous substances					
Switch from controlled substances	· Compliance with laws and regulations and customer requirements regarding controlled substances	Ongoing	· Responding based on a transition plan	✓	· Continuous compliance with laws and regulations and customer requirements
Develop environmentally friendly products					
Promote environmentally friendly design	· Product development with consideration of global warming, resource circulation, and environmentally hazardous substances	Ongoing	· Certified environmentally friendly products: 42 (Thin-coated wires, packaging with biomaterials, etc.)	✓	· Continuous efforts toward environmentally friendly designs

Organizational Structure for Environmental Management

At the Yazaki Group, we established and operate a global environmental management system to ensure that we meet the expectations for environmental conservation from stakeholders worldwide. The Yazaki Environmental Committee, the decision-making body for environmental management, meets every year in May to discuss the direction of the environmental initiatives in Japan and overseas. We also hold a special decision-making meeting whenever issues require an urgent response.

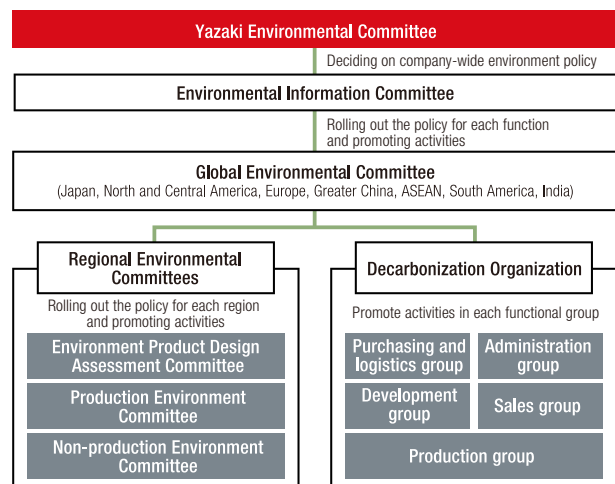
People who are responsible for environmental issues and people in charge of practical environmental operations in each region around the world coordinate the direction of future initiatives through the Global Environmental Committee. Specifically, we share priority themes that need to be addressed at a global level, such as reduction of CO₂ emissions and management of chemical substances in products, in addition to discussing the responses to issues in order to promote environmental conservation activities throughout the supply chain while encouraging interregional collaboration. The Yazaki Group has established local environmental management systems in each region. In Japan, to promote our efforts in each field, we have established the Environment Product Design Assessment Committee, the Production Environment Committee, and the Non-production Environment Committee to promote company-wide initiatives.

Since fiscal year 2021, we have accelerated efforts to address decarbonization by establishing the Decarbonization Organization, launching activities at functional groups such as development, production, and purchasing, and promoting initiatives in each region.

Environmental Education

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

Company-wide training is geared to all new employees, persons promoted to specific grades, and those assigned to overseas sites. The training is provided to deepen employee understanding of the significance of environmental conservation and the environmental conservation initiatives of the Yazaki Group. We also provide specialized environmental training for employees who supervise and engage in environmental work with the aim of ensuring the skills needed for specialized work related to the environment. This training includes education on environmental laws and regulations and education for ISO 14001 internal auditors. We additionally implement tests and other methods to confirm the degree of understanding after



training and take the initiative to promote a firm understanding of the training by participants.

In fiscal year 2022, we developed training materials on responding to decarbonization that reflect the characteristics of each region, and we established a framework that enables employees to participate in e-learning seminars whenever needed.

Thorough Compliance with Environmental Laws and Regulations

The Yazaki Group established a system of environmental compliance that includes compliance with all environmental laws, regulations, and ordinances. We strengthen that compliance system by checking the structures and the operational status through periodic audits while improving the structure, which ties into our compliance with environmental laws and regulations.

We are introducing cross-audits as part of the environmental audits of factories in Japan and overseas. During the audits, the people responsible for practical operations check each other's sites and find points in need of improvement and discuss how to make those improvements with each other. That helps to strengthen the check function and capacity for improvement. We review our audit checklist annually and educate our auditors.

In fiscal year 2022, audits were conducted at 65 sites in 18 countries, with no major violations detected. Many suggestions and good practices were identified, and we are expanding these throughout our sites to achieve further improvements.



Auditor training in Europe

Mitigate and adapt to climate change

To prevent the global warming that allegedly causes climate change, the Yazaki Group is working to reduce CO₂ emissions at all sites through energy-saving measures, and we are contributing to reductions in CO₂ at a global level by developing and providing environmentally friendly products.

Initiatives to Realize a Decarbonized Society

Setting CO₂ Emissions Reduction Targets

The Yazaki Group regards initiatives for the realization of a decarbonized society as a social responsibility and an opportunity to improve corporate value. We have established a global response organization with the cooperation of all production, sales, development, management, and purchasing divisions to tackle this issue as a Group, and we are proactively engaging in activities toward the realization of a decarbonized society.

Following the holding of the Leaders' Summit on Climate and the UN Climate Change Conference (COP26) in 2021, countries throughout the world have strengthened greenhouse gas reduction targets to achieve carbon neutrality. At the Yazaki Group, we also aim to realize carbon neutrality by 2050 and have set voluntary targets for 2030 based on the CO₂ emissions reduction targets of the countries and regions we operate in.

We have set the voluntary target of reducing the Group's direct emissions (Scope 1 and 2)*¹ by 39%*² by fiscal year 2030 compared to fiscal year 2017. In fiscal year 2022, our global CO₂ emissions were 527,000 t-CO₂, a 19% reduction compared with fiscal year 2017. We have also set the target of reducing Scope 3*¹ emissions by 15% by fiscal year 2030 compared to fiscal year 2017. To implement consistent reduction measures for total life-cycle emissions, the Yazaki Group has adopted the same base year for Scope 1 and 2, which is recommended by the GHG Protocol, an initiative that provides international standards for the calculation and reporting of greenhouse gases.

We will continue to make efforts toward meeting our targets for fiscal year 2030 and achieving carbon neutrality by fiscal year 2050.

*1 Scope 1 Direct greenhouse gas emissions by businesses themselves (fuel combustion, industrial processes)

Scope 2 Indirect emissions from the use of electricity, heat, and steam supplied by other companies.

Scope 3 Indirect emissions other than Scope 1 and Scope 2 (emissions by other companies related to the activities of the business)

*2 The reduction rate is rounded up to the nearest whole number.

CO₂ Emissions Reduction Targets of the Yazaki Group

FY 2050: Carbon neutrality

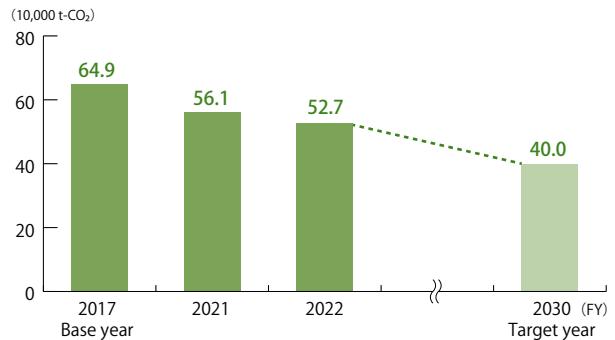
FY 2030: **39% reduction in Scope 1 and 2** emissions compared to fiscal year 2017

15% reduction in Scope 3 emissions compared to fiscal year 2017

Initiatives to Reduce CO₂ Emissions

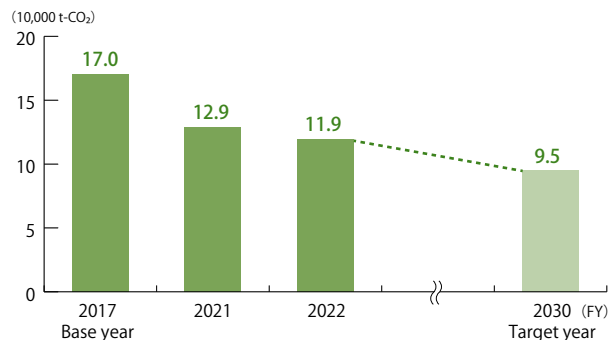
We have produced a Key Point List for Reduction Measures that incorporates over 300 key points from CO₂ emissions reduction plans, including examples of internal initiatives, such as reducing energy loss and introducing energy saving equipment. Based on this list, we have developed approximately 1,400 measures to achieve a reduction of 29,000 t-CO₂ across our sites globally.

Change in CO₂ Emissions (Scope 1 and 2, Global)



Note: The results for fiscal year 2017 and 2021 were reviewed.

Change in CO₂ Emissions (Scope 1 and 2, Japan)



In fiscal year 2022, we reduced emissions by approximately 3,300 t-CO₂ by implementing roughly 250 measures, including optimizing heat-source equipment preheating and downtime, and employing intermittent air blowing.

We will continue to roll out initiatives throughout our sites to further promote CO₂ emissions reduction activities, and with a focus on realizing carbon neutrality by 2050, explore carbon-sink measures such as forest conservation and tree planting.

In addition, to reduce CO₂ in our products, we are striving to introduce new technologies and expand the use of low-CO₂ materials through efforts such as reducing the size and weight of our products and designing environmentally friendly products that utilize renewable and biomass materials.

Furthermore, to reduce CO₂ emissions throughout the entire supply chain, we will expand the scope of our efforts through promoting activities such as the visualization of life-cycle CO₂ emissions, examination of optimal logistics through cooperation with suppliers, development of environmentally friendly products, and consideration of business that contributes to decarbonization.

Voice

North and Central America

EHS (Environment, Health and Safety) Division

Alan Hunt

Senior Manager
Environmental, Health and Safety
Yazaki North and Central America



Reducing our environmental impact and engaging in sustainable business activities are important corporate responsibilities that we must fulfill for our customers, stakeholders, and the local communities that we live and work in.

To meet these responsibilities, Yazaki North and Central America is implementing various initiatives. As an example of our efforts toward carbon neutrality, we have partnered with energy providers and are promoting the use of 100% renewable energy-based electricity at many of our sites. We will strive to realize carbon neutrality through such initiatives.

Reducing Energy Consumption in Thailand by Utilizing Air Leak Detectors

Since fiscal year 2020, the Yazaki Group has been reducing energy consumption by repairing leakages in manufacturing equipment identified using air leak detectors.* In fiscal year 2022, this initiative was expanded to Thailand, and approximately 390 leaks were detected and repaired across 10 production sites. This has reduced emissions by approximately 350 t-CO₂ per year. We will continue to expand this initiative throughout other regions.

* A device that uses an ultrasonic camera to display air leak locations



Detecting an air leak location

Introduction of Solar Power Generation Systems in China

To reduce CO₂ emissions, we have introduced solar power generation systems at Zhangzhou Yazaki Auto Parts Co., Ltd. and Xiaogan Yazaki Auto Parts Co., Ltd. These systems will generate roughly 5.5 GWh of power per year across the two sites, reducing CO₂ emissions by approximately 3,400 tons.

Site	Annual power generation	CO ₂ emissions reduction amount
Zhangzhou Yazaki Auto Parts Co., Ltd.	Approx. 3.9 GWh	Approx. 2,400 tons
Xiaogan Yazaki Auto Parts Co., Ltd.	Approx. 1.6 GWh	Approx. 1,000 tons



Solar power generation system installed at a factory

Yazaki Products' Contribution to Reducing CO₂

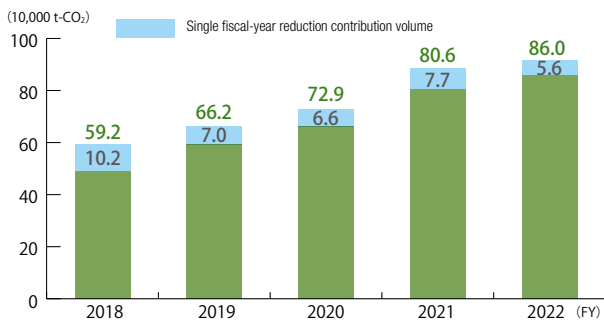
Solar equipment and air-conditioning appliances using wood pellets contribute to reducing CO₂ emissions. The *Bio-Aroace* wood pellet-fired absorption chiller-heater delivers an annual reduction of approximately 30 tons of CO₂ emissions per unit compared with the use of fossil fuels when the volume of CO₂ absorption during the growth of the wood that is used as the raw material for the pellets is taken into account.

Also, in-vehicle safety & service systems, such as digital tachographs, not only contribute to the management of driving efficiency and safety but also lead to improvements in fuel economy, thus contributing to reducing CO₂ emissions. Going forward, we will collaborate with logistics partners to use our technology such as tachographs and load ratio visualization solutions to reduce logistics CO₂ emissions, and we will work to have the amounts reduced certified under the J-Credit Scheme.*

These products contributed to reducing CO₂ emissions by 56,000 tons in fiscal year 2022 and have reduced CO₂ emissions by a cumulative total of 860,000 tons since fiscal year 2011.

* Scheme under which the government of Japan certifies the amount of greenhouse gas emissions reduced or absorbed as credit

Change in CO₂ Emissions Reduction Contribution by In-house Products (Cumulative Amount since FY 2011)



Note: Since numbers are rounded off, individual numbers and totals may not match.

Contribution to Reduction of CO₂ Emissions by Product in FY 2022

Product	Contribution (10,000 t-CO ₂)
Digital tachograph	5.171
Driving recorder with digital tachograph function	0.158
Taxi meter with digital tachograph function	0.268
Solar equipment	0.015
Wood pellet-powered machines	0.003

Promoting Green Logistics

Our logistics division is promoting initiatives to reduce CO₂. In accordance with the Act on Rationalization of Energy Use, Yazaki Group companies in Japan, including our specified consignors, Yazaki Parts Co., Ltd. and Yazaki Energy System Corporation, and similarly Group companies that are not specified consignors, are working to reduce the energy consumption intensity of transportation, with the goal of a 1% decrease from the previous fiscal year.

As an example of one of our initiatives in fiscal year 2022, Yazaki Energy System Corporation's Fuji Factory (Gotemba City, Shizuoka Prefecture) worked to improve the load efficiency of material transportation trailers for a subsidiary in Oita Prefecture.

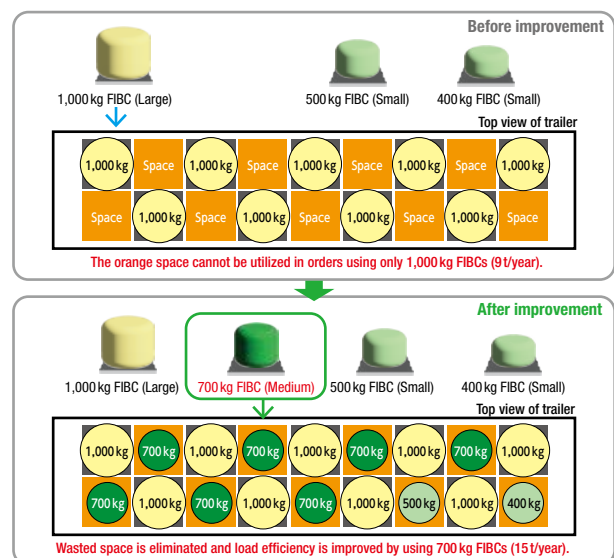
Materials were originally carried in the trailers using large flexible intermediate bulk containers*¹ (FIBCs) that made it impossible to load in two rows and resulted in wasted space. Yazaki Energy System Corporation collaborated with the subsidiary to address this issue by adopting FIBCs that were one size smaller, thus enabling the wasted space to be utilized. This improved load efficiency, cut deliveries, and reduced CO₂ emissions.

In fiscal year 2022, CO₂ emissions from domestic logistics*² increased to 19,800 tons, 5.2% higher than the previous fiscal year due to greater transport volumes. However, CO₂ emissions per transportation amount (ton-kilometer) were 113.6 g-CO₂/ton-kilometer, a 1.1% decrease from the previous fiscal year.

* 1 An industrial container made of flexible fabric for storing or transporting powdered or granular material

*2 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

Improvement of Trailer Load Efficiency for a Subsidiary in Oita Prefecture



Prevent pollution

The prevention of environmental pollution is the very minimum responsibility in our manufacturing activities. We recognize it as a significant risk factor and set the voluntary regulation value stricter than those provided by laws and regulations, and we maintain thorough control.

Local Pollution Prevention

Water and air quality problems, noise, and vibrations can be uncomfortable for local communities even as we comply with the regulations set by laws and local ordinances. We have therefore set and periodically monitor with voluntary levels that are stricter than those stipulated in laws and regulations for the discharged water, exhaust gas, and noise and vibrations of factories, and we confirm the status of compliance.

As our own initiative, we have produced a risk map specifying locations that present a risk to the environment, such as those for chemical storage facilities and equipment with high noise levels, and we are carrying out measures including installing dikes to lower risk and minimizing equipment noise. For example, in pneumatic pipes that distribute materials, noise pollution is generated when the materials come into contact with the inside of the piping. We are working to reduce this noise by installing sound absorption and insulation

materials. To prepare for environmental emergencies such as hazardous substance leaks, we conduct emergency drills at least once per year to verify the effectiveness of our response procedures. In fiscal year 2022, there were no incidents of pollutant leaks or other serious incidents.



Before improvement
Noise is caused by materials contacting the inside of the piping



After improvement
Sound absorption and insulation materials are installed
A cover is also installed over the area where noise is generated

Conserve biodiversity

The conservation of biodiversity is an issue requiring attention on a global scale. The Yazaki Group works in cooperation with communities in taking action for biodiversity conservation and will continue to help to resolve global problems.

Biodiversity Conservation Efforts in Collaboration with the Community

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

As an example of our efforts, roughly 20 Yazaki Group members have participated in tree planting activities in China, planting more than 100 trees. We have also carried out tree planting activities in other countries, including Tunisia and Romania.

Recognizing the importance of taking action to conserve biodiversity, we have also endorsed the Keidanren Initiative for Biodiversity Conservation of the Keidanren Committee on Nature Conservation.



Tree planting by Yantai Yazaki Automotive Parts Co., Ltd. (China)

Closely manage harmful chemicals

The Yazaki Group operates systems worldwide to ensure compliance with the laws and regulations related to the chemical substances in each country and to meet customer requests for the thorough management of chemicals. We demand that suppliers ensure that prohibited chemicals are not used in our products.

Managing Chemicals in Products

We collect information on the revision and enforcement of laws and regulations in the countries we operate in. For materials and parts that involve the use of chemicals that may be regulated in the future, we formulate medium-term plans for their substitution and take appropriate actions.

In fiscal year 2022, after conducting tests and assessments, we switched to alternatives for raw materials and parts using ultraviolet (UV) absorbers and halogen flame retardants, which are currently being considered for regulation under the EU REACH Regulation*1 and POPs Convention.*2

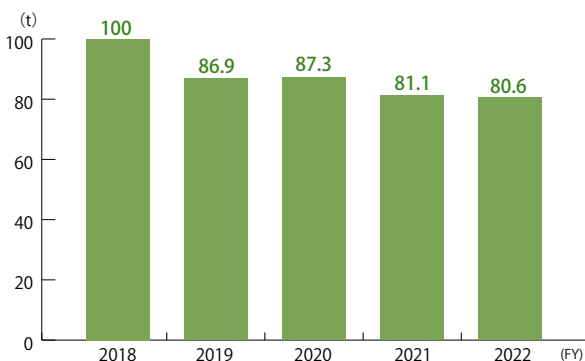
*1 A regulation of the European Union's on the registration, evaluation, authorisation and restriction of chemicals

*2 The Stockholm Convention on Persistent Organic Pollutants

Reducing and Managing Chemical Emissions

The Yazaki Group in Japan makes design changes and production process improvements to reduce emissions of volatile organic compounds (VOCs) that generate suspended particulate matter*1 and photochemical oxidants*2 that cause air pollution. Major initiatives include reducing VOC use by switching to VOC-free cleaning solutions for jigs and equipment and minimizing coated areas, as well as reusing previously used solvents. In fiscal year 2022, VOC emissions for applicable sites*3 in Japan decreased by 0.7% compared with the previous fiscal year.

Change in VOC Emissions (Sites in Japan*3)



Additionally, we are identifying emissions of designated chemical substances and their transfer amounts at sites that are required to submit a report*4 in Japan and are subject to PRTR Law*5 regulations. The emissions of designated chemical substances in fiscal year 2022 totaled 6.2 tons, and the transfer amount was 2.2 tons.

*1 Of the particulate matter suspended in the atmosphere, those with a particle diameter of 10 μm or smaller, including those found in the exhaust from diesel vehicles and the soot emitted from factories

*2 The general term for matter created when nitrogen oxides and hydrocarbons in the smoke emitted from automobiles, factories, and other sources come into contact with the sun's UV rays and a photochemical reaction occurs

*3 Susono Factory, Ohama Factory, Shimada Factory, Kan Kogyo, and Cable Technica

*4 Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, Tenryu Factory, and Kan Kogyo

*5 Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement

Appropriate Disposal of PCB Waste

The Yazaki Group in Japan takes steps for the disposal of polychlorinated biphenyl (PCB)*1 waste within the domestic Yazaki Group before the legal deadline set forth in the Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes. At sites storing PCB waste, we appoint persons responsible for preventing loss, damage, or leakage by locking storage sites, conducting regular inspections, and implementing earthquake countermeasures.

In fiscal year 2022, we disposed of 13 PCB waste containers. We also periodically checked the 39 PCB waste containers*2 that we currently have in storage, and no leaks or other such defects were detected. We will develop a disposal plan for this PCB waste and ensure it is disposed by the legal deadline.

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

*2 Includes electrical equipment currently being verified

Formation of a recycling-based society

As the global population grows and economies develop, the risk of resource depletion increases. The effective use of resources is a major issue. As part of the Yazaki Group's activities to realize a circular economy, we are working to build a resource recycling society based on the 5R* concept by reducing the weight and size of products to save resources, promoting the development of products that utilize waste material and recycled material, reducing loss in manufacturing processes, and reducing the use of plastics for packaging materials.

* Reduce / Reuse / Recycle / Refuse / Repair

Activities to Reduce the Total Amount of Waste

The Yazaki Group works to reduce the total amount of discharge*1 through activities that include reducing loss in the manufacturing process, promoting recycling, and further subdividing waste separation based on the 5R concept. We establish goals to improve our recycling rate and reduce the amount of waste*2 in line with the conditions of each country and region and are moving forward with these efforts.

In fiscal year 2022, the total amount of discharge by the global Yazaki Group was 124,000 tons, a reduction of 34,000 tons compared to fiscal year 2018. We aim to reduce waste at all sites in Japan by 10% by fiscal year 2030 compared with fiscal year 2018 and are making efforts toward this target. In fiscal year 2022, the total amount of waste was 4,342 tons, a reduction of 14% compared with fiscal year 2018 owing to measures such as reducing the amount of in-process defects, reusing jig boards used in wire harness manufacturing, and promoting recycling through more thorough sorting when disposing metal composite products.

To respond to the global issue of plastic waste, we are working to reduce single-use (disposable) plastics used for packing products. To reduce single-use plastics at our factories in Japan, such as those for protecting products during the

work processes or packaging for shipping, each site selects their own themes from the perspectives of stopping, reducing, and recovery (reuse) and is making efforts to reduce usage.

In fiscal year 2022, this initiative was expanded to 68 factories, including overseas sites, leading to an annual reduction of approximately 75 tons of single-use plastic.

*1 Unnecessary things generated at factories. They are classified into waste and valuables.

*2 Among discharge, those other than valuables including general waste such as bulky trash and waste oil and industrial waste

Examples of Reducing Single-use Plastics

Stop

Stopped using stretch film to protect pallet loads from collapsing by improving the method for loading electric wires on pallets. (Effect: Approx. 100 kg/year)



Reduce

Reduced the amount of plastic used by switching from stretch film to small polyethylene bags for the attachment of management slips on products. (Effect: Approx. 60 kg/year)

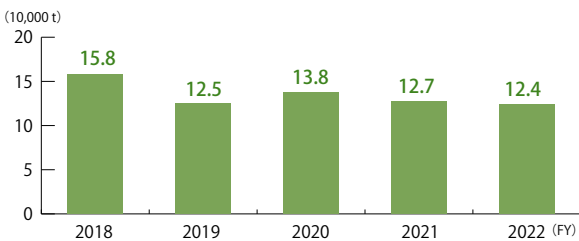


Recover (Reuse)

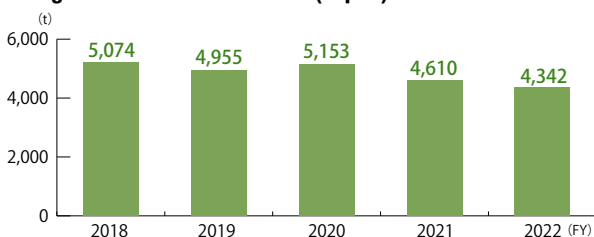
Collected and reused polyethylene bags used for transporting small components between process stages. (Effect: Approx. 10 kg/year)



Change in the Amount of Discharge (Global)



Change in the Amount of Waste (Japan)



Reusing Products and Using Recycled Materials

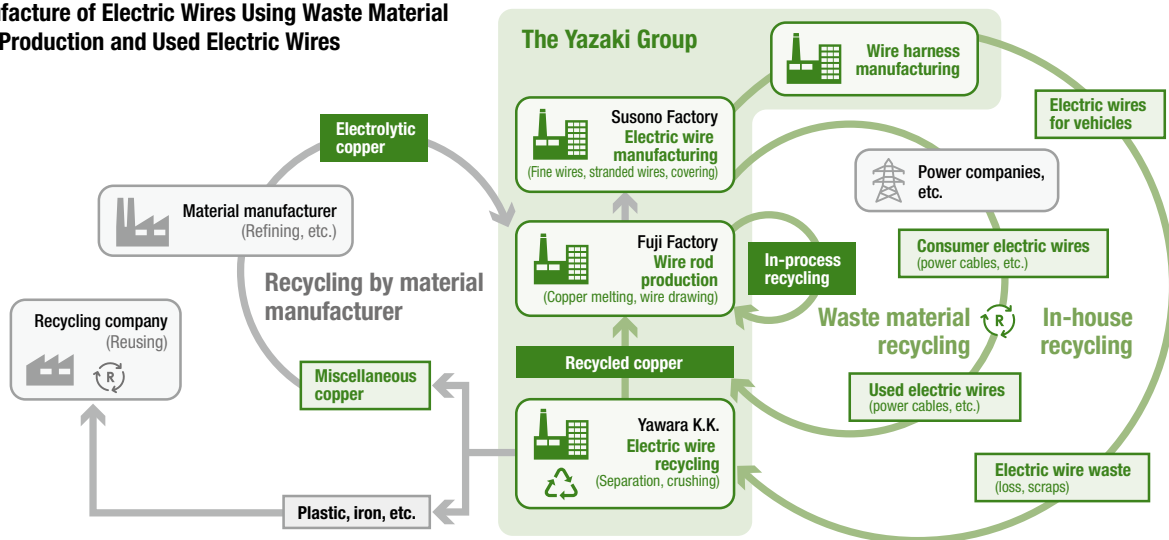
At the Yazaki Group, we manufacture electric wires for our wire harnesses through processes covering the melting of raw materials, production of wire rods,* and wire thinning and covering.

Yawara K.K. (Numazu City, Shizuoka Prefecture) operates an electric wire recycling business, in which it collects and sorts waste material from the Yazaki Group's wire harness factories to manufacture recycled copper.

Yazaki Energy System Corporation's Fuji Factory (Gotemba City, Shizuoka Prefecture), which manufactures wire rods, uses the recycled copper produced by Yawara K.K. and some of the waste materials generated in manufacturing processes to manufacture copper wires. In fiscal year 2022, we used approximately 16.5 thousand tons of recycled materials, achieving a recycled copper utilization rate of approximately 17%. We will continue to increase the amount of recycled copper we use.

* An intermediate material for the manufacture of copper wires and winding wires. It is stretched into a wire shape with a diameter of approx. 8 mm.

Manufacture of Electric Wires Using Waste Material from Production and Used Electric Wires



Reducing the Environmental Impact of End-of-life Products

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

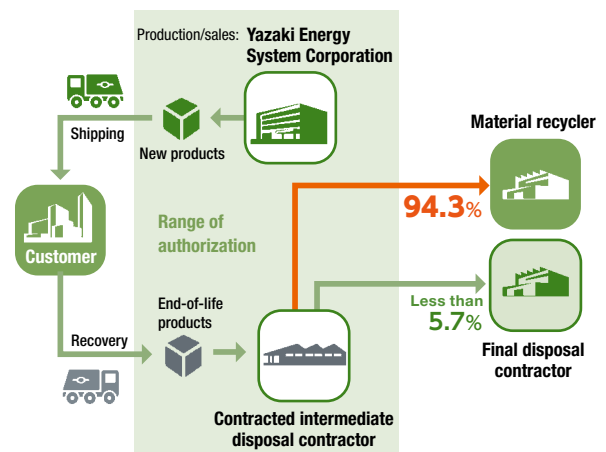
Under the Wide-area Certification System,* the Hamamatsu Factory of Yazaki Energy System Corporation (Hamamatsu City, Shizuoka Prefecture) recovers Aroace absorption chiller-heaters when they can no longer be used, and reuses and recycles their components. By separating and reusing the steel plates that make up the product body, the copper tubes that make up the heat exchangers, and the absorption solution, we recycled 94.3% of these products by weight in fiscal year 2022.

We have also reviewed our asbestos disposal process in response to increasingly stringent regulations, and we are making improvements to ensure safer and more

secure recycling disposal for some of our older products that use asbestos.

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

Recovery of Air-conditioning Equipment under the Wide-area Certification System



Water resource response

By 2050, roughly half of the world's population will experience the effects of water stress* from the impact of issues such as population growth and climate change. The Yazaki Group strives to minimize water use by recycling and conserving water and practices stronger management of factory water discharges. Thus, we are protecting water resources.

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

Initiatives with Water Risks

We are continuing our efforts to reduce water consumption at production sites in Japan while we implement efforts that enable our management systems to prevent water pollution from discharged water.

Globally, water risks are recognized at each site, and we work on the issue from two perspectives of water amounts and quality. Every year, we conduct risk evaluations using Aqeduct.* In fiscal year 2022, we identified high water risks at 34 sites in seven countries. We will continue to ascertain the material impacts of water risks at target sites and implement risk reduction measures in accordance with regional water risks.

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

Initiatives to Conserve Water Resources

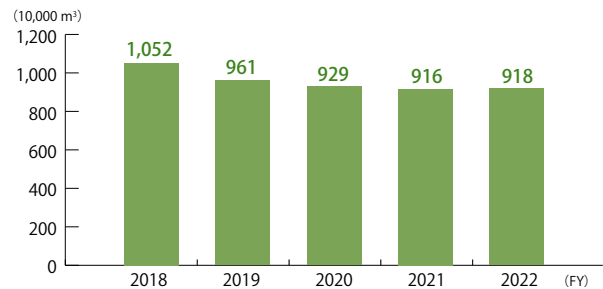
The manufacture of electric wires, one of the Yazaki Group's representative products, and the manufacture of resin components for our wire harnesses use a lot of water for cooling and other processes. The Yazaki Group sets voluntary goals for water usage reduction and improvement in the quality of discharged water and conducts initiatives tailored to each country and region.

We effectively utilize water resources to reduce our water consumption, implementing measures at each site such as regularly inspecting cooling water systems to prevent leaks, effectively utilizing rainwater, and using drainage water from cooling towers for spraying over the roofs.

As a result of these efforts, in fiscal year 2022, water consumption was 9.18 million m³ globally, 13% less than in fiscal year 2018.

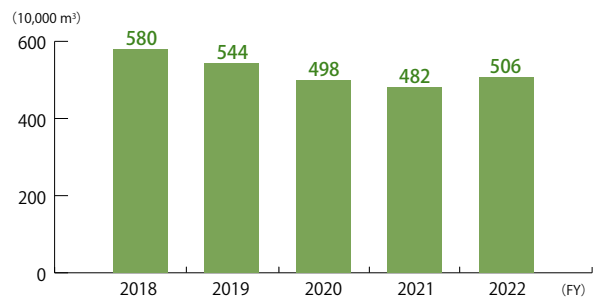
In addition, we are promoting activities at our sites in Japan to achieve a 17% reduction in water consumption by fiscal year 2030 compared to fiscal year 2018. In fiscal year 2022, water consumption was 5.06 million m³, a 13% reduction compared to fiscal year 2018.

Change in Water Consumption (Global)



Note: The results for fiscal year 2021 were reviewed.

Change in the Amount of Water Consumption (Japan)



Topics

Effective Utilization of Cooling Tower Wastewater

To maintain the quality of cooling water, cooling towers must release a certain amount of wastewater. At PT. Subang Autocomp Indonesia, we store wastewater in a tank after filtration and purification so that it can be effectively utilized. The recovered wastewater is used for handwashing and toilet flushing at the site, reducing water consumption by 660 tons annually.



Cooling water tower and storage tank

Environmentally friendly design

The Yazaki Group established original certification standards for environmentally friendly design. All development divisions strive to reduce the environmental impact of products from the design stage and to enhance the added value of products.

We additionally evaluate the environmental impact of our products across their life cycles (the stages of production and use^{*1}) using LCA^{*2} techniques. Those products that meet internal certification standards are certified as environmentally friendly products.

^{*1} Applies to automotive components ^{*2} Life Cycle Assessment: Assessment of a product's environmental impact

Development of Shrink Film Made with Sugarcane Biomass Material

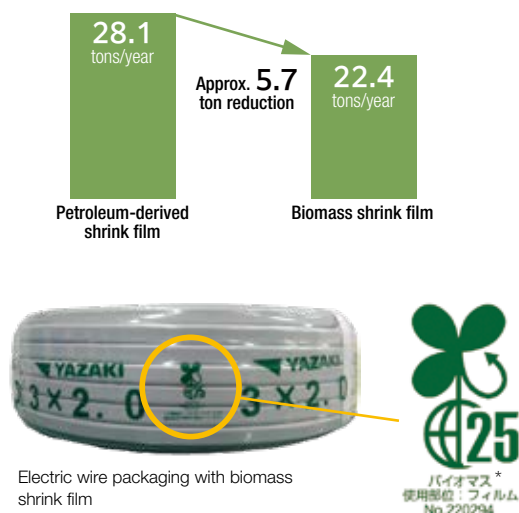
Shrink film is a cable packaging material that shrinks with heat to cover and protect cables from damage or dirt during transportation or storage. However, it poses concerns in terms of environmental issues, such as the depletion of petroleum resources and global warming.

In response, we developed shrink film comprised of 28% sugarcane biomass material, and as an industry-first, it has been adopted for the packaging of EM-EEF low-voltage cables.

While having the same durability as petroleum-derived materials, it reduces CO₂ emissions by 20% compared to conventional materials, resulting in an estimated reduction of approximately 5.7 tons per year.

The shrink film was certified as a biomass product by the Japan Organics Recycling Association following an application made by the manufacturer.

CO₂ Emissions Comparison



* This mark indicates that the product has been certified by the Japan Organics Recycling Association for containing more than a determined amount of biomass material. The biomass material ratio is shown in 5% increments starting from 10%

Development of Battery Busbar Module Using Plastic Scraps from Manufacturing Processes

Battery busbar modules are attached to battery cells used in hybrid vehicles. They are used to connect multiple batteries in series, monitor battery voltage and temperature, and transmit such information to the control unit. Since battery busbar modules have large and complex shapes, a considerable amount of plastic scraps were produced when manufacturing the plastic components for this product.

To reduce the amount of scraps generated, we improved shape of the mold and shortened the resin flow path for molding. From the perspective of carbon neutrality and waste reduction, we also explored the utilization of plastic scraps during the manufacturing process. After adjusting the material mixture ratio and molding requirements, and testing physical properties, we were able to ensure that all of the scrap material could be used, reducing waste to zero. This enabled us to produce plastic components comprised of roughly 58% recycled material, reducing CO₂ emissions by approximately 41%.

We also improved the plastic scrap utilization rate for other battery busbar modules using the same material, expanding the initiative to 22 products.

Reduction Amounts per Unit

Plastic scrap reduction	238.6 g/unit
CO ₂ emissions reduction amount	478.5 g-CO ₂ /unit



Battery busbar module manufactured using in-process plastic scraps

Priority Issue

Enhance global governance and internal control



P60 **Ensure management soundness, efficiency, and transparency**

P62 **Strengthen risk management and BCM**

P63 **Promote information security**

P64 **Practice thorough compliance**

P65 **Prevent all forms of corruption**

P66 **Respect human rights**

The establishment of a sound foundation for management is vital for the sustainable growth of a company.

With an eye on becoming “A Corporation in Step with the World” and “A Corporation Needed by Society” as outlined in the Yazaki Group Corporate Policy, the Yazaki Group continuously works to establish a global governance system that is sound, efficient, and transparent and strengthens its internal controls in order to increase its corporate value by building positive relationships through an emphasis on dialogue with stakeholders.

Ensure management soundness, efficiency, and transparency

The Yazaki Group is building sound relationships with its stakeholders and fulfilling its social responsibilities as a company in order to realize the Yazaki Group Corporate Policy, as it endeavors to strengthen its corporate governance with the aims of achieving sustainable growth and increasing corporate value.

Corporate Governance System

We are a company with a board of auditors and have established management meetings in addition to the Board of Directors and Board of Auditors. While we are a privately-owned company, we have a significant social responsibility as an enterprise with sites in 46 countries and regions throughout the world. Accordingly, we have established a board of auditors comprised of full-time auditors and outside corporate auditors, and we work to enhance the effectiveness of audits and ensure we maintain the trust of stakeholders.

Board of Directors

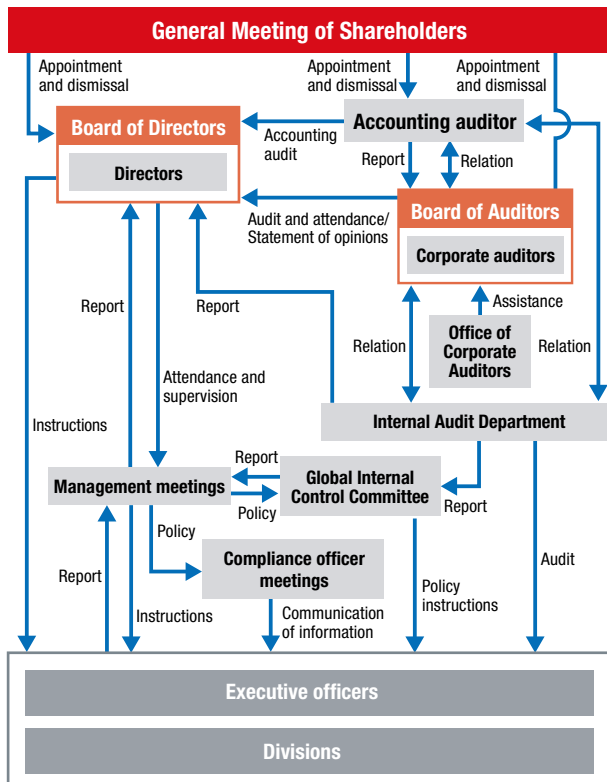
In principle, we hold meetings of the Board of Directors once a month (as well as meetings on an ad hoc basis) to make decisions on statutory matters and material matters concerning management and to oversee the execution of duties

by directors. To ensure rapid decision-making and the execution of operations, matters to be discussed by the Board of Directors are specifically set forth in the Board of Directors Regulations and the submission standards. For example, the annual budget and matters related to assets or funds above a certain threshold are subject to deliberations and resolutions of the Board of Directors. In addition, we have stipulated in our code of ethics that we will not engage in any improper transactions that may harm the interest of our company.

Board of Auditors

Meetings of the Board of Auditors are attended by all corporate auditors of the company (one full-time corporate auditor and two outside corporate auditors) and chaired by the full-time corporate auditor. In principle, such meetings are held monthly, at which time members deliberate on the appropriateness of the agenda at meetings of the Board of Directors and the status of the execution of duties by executive directors and others.

Diagram of the Corporate Governance System



Management Meetings

We have also established management meetings. In principle, they are held once per month, at which time members deliberate and make decisions on prior deliberations undertaken with respect to agenda items submitted to the Board of Directors and other material matters related to Group operations and businesses.

Executive Officer System

We have introduced an executive officer system in which management decision-making and auditing roles are separated from business execution roles. By separating the

Composition of Key Management Committee Bodies

Key committee body	Frequency of meetings	Chaired by	Members
Board of Directors	Monthly	President	· Directors
Board of Auditors	Monthly	Full-time corporate auditor	· Full-time corporate auditor · Outside corporate auditors
Management meetings	Monthly	President	· Directors · Full-time corporate auditor · Executive officers and others

officers involved in management and business execution, decisions on company-wide management strategies can be made more effectively and meetings of the Board of Directors can be streamlined to facilitate swifter decision-making.

Training

To ensure that the roles and responsibilities expected of directors, corporate auditors, and executive officers are properly fulfilled, we provide training to deepen their understanding of their roles and responsibilities and allow them to acquire the necessary knowledge.

Governance of Group Companies

We also promote the fortification of governance at subsidiaries located in Japan and overseas through holding meetings with their boards of directors. In fiscal year 2022, we revised approval rules (rules governing authority) that are deemed important in the governance of the Yazaki Group and carried out improvements. This has allowed us to transfer authority to our subsidiaries in Japan and abroad more effectively and enhance the management of significant Group-wide matters, thus enabling a structure for swifter and more appropriate management decisions and risk management. Furthermore, to streamline procedures and strengthen document management, we implemented an IT system for electronic applications and approvals for domestic projects, which was originally introduced for overseas projects. Through this, we have established a framework for handling a series of processes within a unified system.

Strengthening Internal Controls

The Global Internal Control Committee, which is chaired by the president, monitors and evaluates the effectiveness of internal controls, including with respect to compliance within the Yazaki Group and risk management as it relates to our CSR and BCP and to information security.

Material matters as concerns internal controls are reported semiannually by our management divisions and the Internal Control Committee for each region to the Global Internal Control Committee, whereupon important management risks and specific measures are discussed. As the highest body for decision-making for global internal control, the Global Internal Control Committee held meetings twice in fiscal year 2022, reporting and deliberating on various global issues and risks.

In addition to initiatives carried out on a global level, we have also promoted the fortification of internal controls on a regional level through efforts spearheaded by our regional headquarters. We have been establishing a system for risk management and the promotion of internal controls in each region since fiscal year 2018 and are currently implementing a

PDCA cycle (appropriate ascertainment, control, monitoring, and remediation of risks) for activities, deepening initiatives in each region, and expanding good practices to other regions.

In fiscal year 2022, meetings of the Internal Control Committees were generally held in each region on an online basis, and our headquarters in Japan actively participated remotely. Our Internal Control Committee in Japan also continued to hold meetings.

Structure for the Promotion of Internal Controls



Global Internal Control Committee Important Agenda Items (FY 2022)

- 1. Compliance**
 - Identification of global compliance issues
 - Review of the global whistle-blowing system
- 2. Internal Audits**
 - Expansion and strengthening of global internal audit activities and monitoring progress
 - Reporting on global internal audits (Strengthening corrective management and resolving long-outstanding issues)
- 3. CSR**
 - Strengthening human rights initiatives (Human rights due diligence at our company and in the supply chain)

Strengthen risk management and BCM

The Yazaki Group implements the PDCA cycle to appropriately manage various risks associated with its business activities and takes measures to ensure the smooth continuation or restoration of business operations in the event of a large-scale disaster.

Risk Management

The risks surrounding companies are changing on a daily basis and need to be addressed flexibly. In fiscal year 2022, the Yazaki Group continued to apply the PDCA cycle for risk management in order to develop suitable measures to address all risks surrounding the company and Group companies in accordance with their respective nature and level of importance. As for major Group-wide risk factors, the Global Internal Control Committee, which is chaired by the president, deliberated on countermeasure proposals based on the results of assessments conducted by the functional divisions, implementing initiatives to reduce risk company-wide.

At each site, the persons in charge and the head of the worksites conduct inspections, and the results are reported to the Internal Control Committee in each region after the regional headquarters review for any outstanding issues and

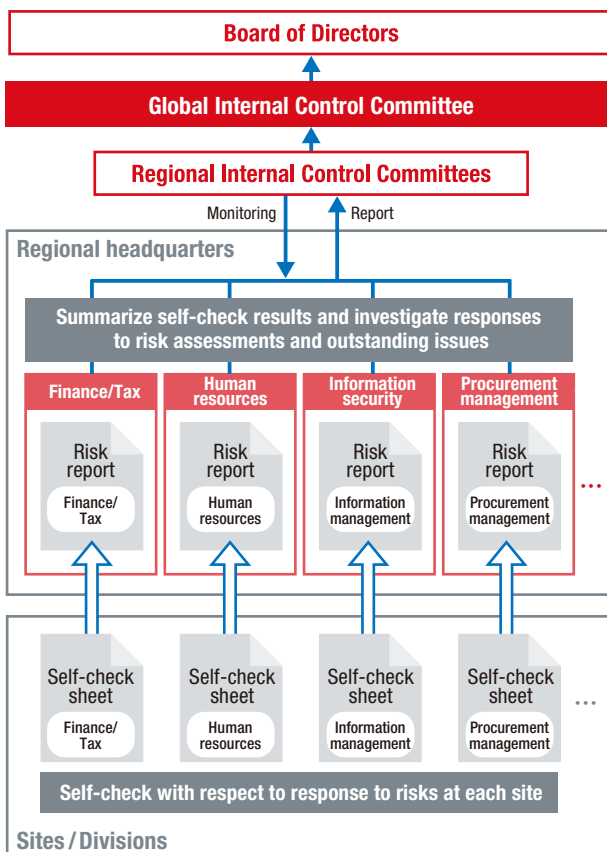
examine possible measures. The Internal Control Committee for each region examines any major risks that are present and deliberates on the appropriateness and sufficiency of responses to these risks, and monitors the state of any responses that are undertaken. In fiscal year 2022, in addition to continuing our existing risk management activities, we developed a database for storing information on past risk management incidents that have occurred within the Yazaki Group. We are taking the incidents recorded in this database into account in our risk management activities to enhance the self-checks performed at our sites. The Internal Control Committee is also collecting information on incidents and sharing them throughout the Group.

Disaster Measures and BCP Initiatives

To respond to events such as infectious disease outbreaks or geopolitical conflicts, we have established a crisis management system to minimize damage or loss to our business, with the highest priority placed on the safety of our employees. Based on this crisis management system, we engage in swift decision-making, and take cross-sectional measures on a global level, such as implementing BCPs for each business and sharing information on prevention and countermeasures. In the event of a natural disaster, such as a major earthquake striking the Nankai Trough, we aim to fulfill our responsibility to supply products and services while maintaining and enhancing trust in our company by endeavoring to ensure business continuity in accordance with BCPs.

We formulated various types of manuals and are working on measures to protect our employees and facilities from the increasing numbers of natural disasters that are caused by climate change and other factors and to minimize any damage sustained as a way to prevent communities and customers from being unduly affected by disasters. We have prepared the Wind and Flood Response Manual to respond to typhoons, torrential rain, and storm surges, the Earthquake Response Manual to respond to earthquakes and tsunamis, and the Eruption Response Manual to respond to volcanic eruptions. We have also developed a disaster prevention management system and provide education and training in accordance with these manuals, seeking to promote understanding of disaster prevention management and making preparations to ensure that everyone is capable of responding appropriately in an emergency.

Framework of Risk Management Activities



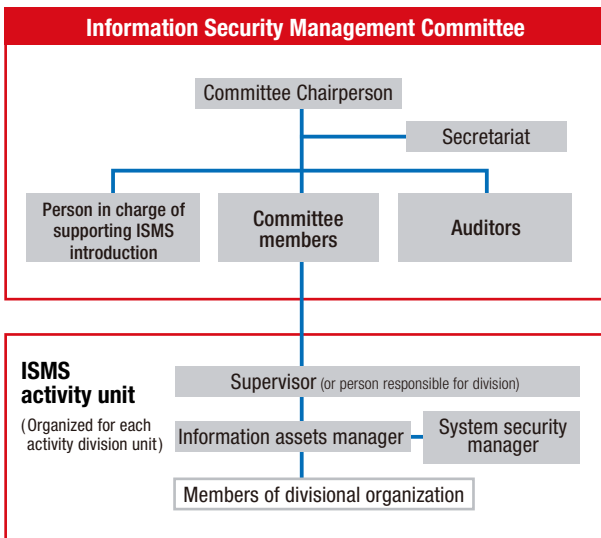
Promote information security

At the Yazaki Group, we strive to strengthen relationships of trust with customers and other stakeholders by enhancing Group-wide information security measures, establishing frameworks for raising the security awareness of each employee, and implementing global cybersecurity measures.

System for the Promotion of Information Security

The Yazaki Group has obtained Information Security Management System (ISMS) certification based on the ISO/IEC 27001 international standard in Japan and overseas. In order to promote a high level of information security, we established the Information Security Management Committee in Japan and assigned a committee member to each division. At meetings of this committee, which are held every other month, members verify the state of information security activities in each division and work to promote standardization, the introduction of common measures and schemes, and education to ensure that all employees can carry out their duties with an awareness of information security.

Structure for the Promotion of Information Security



Information Security Initiatives

With the evolution of technology and expansion of digitalization in recent years, the importance of data held by companies and organizations has increased alongside threats such as data leaks, hacking, and malware attacks. To respond to these threats, many countries and regions are tightening laws and regulations for data protection and security, and the development of international frameworks and standards is also advancing.

Given this situation, the Yazaki Group has established necessary rules, considering it a matter of basic policy to protect all confidential information, including the personal information of customers and business partners obtained through the performance of operations, and appropriately manage the required information in connection with products. We have also developed a system to promote security measures in different regions (Europe, North and Central America, and Asia and South America) in accordance with national laws and various regulations on the protection of personal information, such as the EU's GDPR.*

* General Data Protection Regulation

Cybersecurity Initiatives

In light of the occurrence of cyberattacks in recent years, the Yazaki Group is conducting global activities based on the following policies.

- Development of a framework for formulating and implementing unified global strategies
- Introduction of standard global tools
- Timely adoption of the latest cybersecurity technology
- Development of common infrastructure

We will continue our efforts across a range of areas, including our global approach, employee education, cyber risk mitigation in the supply chain, and vulnerability countermeasures.

Practice thorough compliance

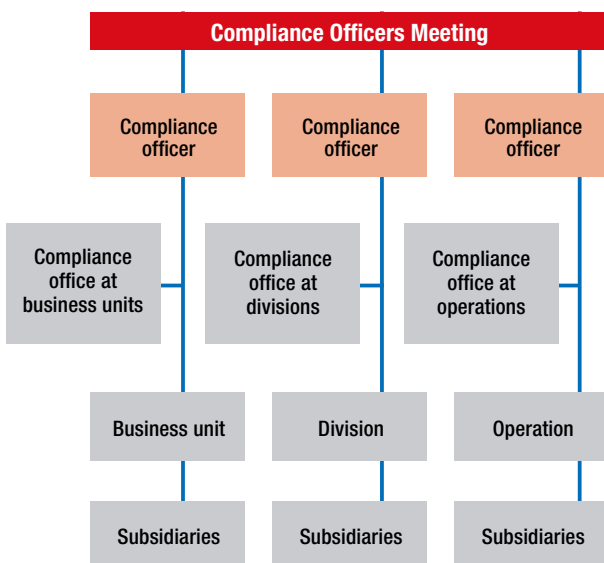
To properly “Uphold the law, respect regional cultures, and contribute to economic and social development” as set forth in our Fundamental Management Policy, we are carrying out activities with a four-pronged approach consisting of the clarification of laws and regulations that we must comply with, compliance training, monitoring, and the operation of a whistle-blowing system.

Structure to Ensure Compliance

To ensure that each division in Japan takes the initiative in conducting compliance activities, we have appointed the head of each division to the position of compliance officer, which is the person responsible for compliance activities in the assigned division, and have been holding the Compliance Officers Meeting, in which compliance management issues are shared and the latest information on laws and regulations are disseminated, two times a year since 2014. At the Compliance Officers Meeting in fiscal year 2022, participants reported on the state of legal compliance, gave explanations on compliance awareness survey results and utilization measures, and shared information on policies for compliance with revised laws and regulations. Training with an external instructor on how to engage in fair transactions amid increasing material prices was also provided.

In addition, the Subsidiary Legal Affairs Support Department, which we established in fiscal year 2020 to ensure legal compliance and appropriate management of contracts throughout the entire Yazaki Group, has provided support in regard to these matters and other various legal activities undertaken by subsidiaries.

Structure for the Promotion of Compliance in Japan



To promote compliance globally, we are building a framework based on our Global Compliance Policy that sets out minimum requirements in regard to each region’s compliance systems (legal information collection, organization, reporting, etc.) and the whistle-blowing system. In fiscal year 2022, we conducted a survey on the status of regional compliance systems and confirmed that they were functioning appropriately.

Clarifying Laws and Regulations with Which We Must Comply

In Japan, we make use of the Yazaki-wide Legal Compliance Control Item Table, which consists of a compilation of laws and regulations commonly applicable to all of our businesses and their respective requirements. In fiscal year 2022, we updated the table to reflect legal amendments, reviewed the assessments for each law based on internal audit results and external case studies, and distributed it to all domestic divisions, including subsidiaries.

Globally, we have produced policies for each overseas region based on the Global Compliance Policy. In accordance with these policies, we have identified the laws applicable to us and have made efforts to ensure compliance.

Compliance Training

In Japan, we provide training by job position, level, and law and regulation, including officer compliance training for those in management. Through training, we endeavor to deepen participants’ understanding of relevant laws and regulations as well as point out the compliance activities in the company to raise awareness of compliance matters.

We hold a Meeting on Fair Subcontractor Transactions for those in charge of procurement in their respective divisions. In fiscal year 2022, an external instructor attended the meeting to conduct a seminar on operational compliance with the amendments to the implementation standards of the Subcontract Act.

In fiscal year 2022, we also held the Yazaki Legal Conference for the presidents of our domestic subsidiaries. Participants shared opinions on compliance initiatives, and we also invited an outside attorney to give a talk on providing instruction on operational improvement to employees.

Monitoring

To monitor the effectiveness of legal compliance in Japan, regular self-checking based on the use of a Compliance Check Sheet is conducted. We also make efforts to ensure the achievement of legal compliance through the implementation of site checks by the departments in charge of laws and regulations for various areas, such as personnel, financial, and legal, and a regular audit conducted by our Internal Audit Department.

In fiscal year 2022, self-checks were carried out at 55 domestic Group companies, and the departments in charge of laws and regulations checked detected risks at worksites.

Management of the Whistle-blowing System

To detect violations of the law and regulation at an early stage and prevent their occurrence, the Yazaki Group has put in place whistle-blowing hotlines in each region.

Regarding Yazaki Ai, a domestic whistle-blowing system, we established an internal office for reporting and an independent outside office for reporting at an outside law firm to thoroughly protect whistleblowers, thereby ensuring their anonymity and keeping them rigorously protected from reprisals and other detrimental treatment. In fiscal year 2021, we revised our company rules based on the amendments to the Whistleblower Protection Act. In fiscal year 2022, we also took steps at relevant domestic subsidiaries to comply with legal amendments.

Globally, in addition to the above measures, we have begun to examine the introduction of a global whistleblower system that enables overseas sites to directly report to our headquarters, with the aim of detecting serious legal violations at an early stage and preventing them. In fiscal year 2022, we examined whistleblower system introductions and usage numbers at other companies, evaluated service providers, and verified the necessity of investigating laws and regulations. Going forward, we will examine the relevant laws and regulations in each region and coordinate with regional legal affairs divisions to begin introducing the whistleblower system in specific regions.

Topics

Compliance Awareness Survey

The Yazaki Group in Japan has been conducting a compliance awareness survey in principle every two years since fiscal year 2015. The survey targets all employees, including temporary staff, and aims to identify issues and weaknesses in each workplace to enable more effective compliance activities. In fiscal year 2022, we prepared survey items based on situations that can easily lead to misconduct in manufacturing companies. The survey was conducted on a completely anonymous basis and over 12,000 responses were received company-wide. The survey results were shared in the Compliance Officers Meeting, and findings from analysis of issues and weaknesses at each division and site are being reflected in compliance improvement and enhancement activities.

Prevent all forms of corruption

In its Global Compliance Policy, the Yazaki Group has defined minimum rules to be followed for compliance with competition laws and the prevention of bribery in Japan and overseas, and we are engaging in compliance activities accordingly.

Complying with the Antimonopoly Act

The Yazaki Group solemnly accepts that it violated the Antimonopoly Act in the past and has since developed a framework and implemented countermeasures to prevent the recurrence of such a violation.

In fiscal year 2022, to ensure that our Antimonopoly Act violation concerning automotive components is never forgotten, we continued to implement training that began in fiscal year 2020 to mark a decade since the incident occurred. In the training, participants watch video footage of interviews with people connected to the incident, and each employee is

encouraged to discuss what actions should be taken. In this way, we ensure the incident is remembered and that similar incidents are prevented.

In addition, at Yazaki Energy System Corporation, we have started to enhance training by revising learning materials, aiming to educate employees on past violations in the electric wire and gas equipment businesses. We plan to gradually implement training with the revised materials from fiscal year 2023.

Globally, we conduct training under the leadership of the regional legal affairs divisions for employees exposed to competition law risks, in which they are informed of rules and

expected actions for thoroughly maintaining compliance with competition laws in business operations. We also conduct training so that our past violation is not forgotten, which adopts the same discussion-based format as used in Japan.

Preventing Corruption

To promote fair business practices in all countries and regions where we operate, we have developed and are

operating a framework to make sure that employees do not commit acts of corruption and are focused on securing a sound management environment.

To date, we have made efforts such as conducting training on the prevention of bribery for our sites in South Korea, revising the company rules on bribery prevention for our sites in North America and our site in India, and conducting surveys on the status of company rule compliance regarding bribery prevention at our sites in Greater China.

Respect human rights

In accordance with the Yazaki Group Human Rights Policy, the Yazaki Group respects the human rights of all stakeholders involved in its business activities while taking international norms and the laws and customs of each country into account.

Enacting the Yazaki Group Human Rights Policy

In 2020, following approval by the Board of Directors, we established the Yazaki Group Human Rights Policy based on the United Nations' Guiding Principles on Business and Human Rights.

Based on this policy, we support international standards such as the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights) and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Positioned above individual related policies and documents mentioning respect for human rights (such as our CSR Policy, Global Responsible Mineral Policy, and Code of Conduct), this policy applies to all domestic and overseas companies belonging to the Yazaki Group and their employees. We will also ask our business partners and other concerned parties to agree to this policy.

| WEB | Yazaki Group Human Rights Policy
<https://www.yazaki-group.com/en/csr/csr/#humanrights>



Human Rights Due Diligence

The Yazaki Group has implemented initiatives to reduce human rights risks within its supply chain based on the Yazaki Group Human Rights Policy.

As specific initiatives, we added child labor and forced labor to our Compliance Check Sheet and are ascertaining

the state of initiatives being carried out by our Group companies in Japan. In addition, at six domestic sites that run programs for technical trainees, we conduct on-site audits of such programs in accordance with the check sheets that include items pertaining to child labor and forced labor. In fiscal year 2022, no issues were identified at the sites.

In fiscal year 2020, we began to conduct human rights due diligence at Group companies overseas. By harnessing our framework for risk management activities, we have conducted comprehensive self-checking and evaluation of the appropriateness of systems and daily operations at each site and the existence of human rights risks in such forms as forced labor, child labor, and discrimination. The results of this process were reported to the Internal Control Committee in each region, whereupon measures for ameliorating identified risks were discussed, and the monitoring of the state of the implementation of these measures was undertaken.

In fiscal year 2022, we continued to conduct human rights risks assessments in all of our regions globally. At the meeting of the Global Internal Control Committee held in May 2023, we focused on harassment, which was one of the risks recognized in the previous fiscal year, and two regions in which there were related concerns gave reports. They shared challenges and plans with other regions, and their reports covered the background of the risks, countermeasures, and subsequent monitoring efforts. We will continue to conduct risk assessments and strive to prevent and reduce risks throughout our global operations.

As for child labor, we have conducted a survey of the state of compliance with minimum working-age standards based on international norms and the laws and regulations of each country at our overseas sites. In fiscal year 2022, the survey was conducted for 105 companies, and all responded that no

violations had occurred. We will continue to monitor the status of compliance.

As a measure to reinforce our response to human rights risk within our supply chain, we are also distributing our Supplier CSR Guidelines, Supplier CSR Self-Assessment Sheet, and the Human Rights Initiatives Assessment Sheet to our suppliers in order to confirm the status of their CSR and human rights efforts. We distributed this assessment sheet to 1,515 of our suppliers in Japan and overseas in fiscal year 2022. The results of the self-checks using the sheets did not indicate any possibility that suppliers had caused or encouraged human rights violations. We plan to expand this initiative to more regions in fiscal year 2023.

Preventing Discrimination and Harassment

Along with clearly stating respect for diversity and the elimination of discrimination in our CSR Policy, we are working to ensure respect for diversity and eliminate discrimination by stipulating that all forms of discrimination, including discrimination on the basis of nationality, ethnicity, sex, sexual orientation, age, place of birth, educational background, connections and relations, disability, religion, and employment status, are to be eliminated in our Code of Conduct, which constitutes a guide to actions carried out by employees.

In Japan, to prevent harassment at workplaces, December has been designated as “Harassment Prevention Month.” During this period, we promote awareness of harassment and conduct harassment-prevention training via e-learning. Based on the results of post-training surveys, we implement countermeasures to thoroughly prevent workplace bullying such as training for all employees and including examples of past incidents in training materials for new recruits or those undergoing promotion to prevent similar incidents from occurring in each individual’s workplace. We also rapidly identify and respond to any incidents that involve human rights violations via our harassment hotline in the event that they occur.

Human Rights Education

In Japan, we continue to provide CSR training for newly appointed responsible persons (persons responsible for overseas sites, presidents of subsidiaries, and heads of business sites), newly appointed department heads and leaders, new employees and mid-career employees, and employees before they embark on an overseas transfer, and we are endeavoring to properly instill greater understanding of respect for human rights and matters concerning child and forced labor in employees as part of this training. For management, at meetings of the Global Internal Control Committee, we explain international standards such as the United Nations’ Guiding Principles on Business and Human Rights and trends in laws and regulations concerning human rights. We also promote understanding of actions required of companies through progress reports on human rights initiatives conducted by our company globally.

Responding to the UK Modern Slavery Act

Each year, in accordance with the UK Modern Slavery Act of 2015, which was enacted for the purpose of eradicating modern slavery in 2015, the boards of directors of Yazaki Europe Limited which is based in the United Kingdom, and Yazaki Corporation, as Yazaki Europe’s parent company, formally endorse a statement on dealing with modern slavery in our supply chain and post this statement on our respective websites. The statement for fiscal year 2022 is available via the following link.

[| WEB | Slavery and Human Trafficking Statement](https://www.yazaki-group.com/en/csr/csr/)
<https://www.yazaki-group.com/en/csr/csr/>



Voice Europe
Head of Corporate Governance

Markus Kornmaier
 Head of Corporate Governance
 Yazaki Europe Limited

Respect for human rights is at the foundation of our business activities based on the Yazaki Group Corporate Policy. To respond to society’s growing expectations regarding corporate responses to human rights, Yazaki EMEA implements continuous risk management activities related to human rights due diligence for employees in the region. In June 2023, Yazaki EMEA revised its Business Partner Code of Conduct and strengthened our efforts to enhance respect for human rights throughout the entire supply chain.



ESG Data

Environment

	Organizations covered	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Remarks	
CO ₂ emissions	Global	10,000 t-CO ₂	62.1	54.6	57.6	56.1	52.7	The results figures for fiscal year 2021 were revised.	
	Japan	10,000 t-CO ₂	16.4	14.8	13.6	12.9	11.9		
	Scope 1	Global	10,000 t-CO ₂	—	—	9.0	8.7	6.7	The results figures for fiscal year 2021 were revised.
	Scope 2	Global	10,000 t-CO ₂	—	—	48.6	47.4	46.0	
CO ₂ emissions intensity of sales	Global	t-CO ₂ / 100 million yen	31.9	31.9	35.8	31.5	23.2		
	Japan	t-CO ₂ / 100 million yen	24.2	25.3	22.2	20.9	16.7		
Energy consumption	Global	TJ	—	—	8,923	8,791	8,154		
	Japan	TJ	—	—	2,712	2,670	2,543		
Energy consumption intensity of sales	Global	TJ / 100 million yen	—	—	0.555	0.489	0.359		
	Japan	TJ / 100 million yen	—	—	0.443	0.433	0.357		
Energy consumption within the organization	Japan	kl	66,120	63,931	58,207	59,278	56,599	Corporations covered by the Energy Conservation Act from fiscal year 2018 through fiscal year 2022: Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Energy System Corporation, SAGARA PLASTICS INDUSTRIAL Co., Ltd., Japan Chain Terminal Co., Ltd., Oita Parts Co., Ltd., Gifu Koki, and Kumamoto Koki Co., Ltd.	
Amount of discharge	Global	10,000 t	15.8	12.5	13.8	12.7	12.4		
Amount of waste	Japan	t	5,074	4,955	5,153	4,610	4,342		
Amount recycled	Japan	t	4,382	4,299	4,556	4,028	4,328		
Recycling rate	Japan	%	96.7	99.9	99.9	99.8	99.7		
Amount of final disposal	Japan	t	14	2	5	6	14		
Water consumption	Global	10,000 m ³	1,052	961	929	916	918	The results figures for fiscal year 2021 were revised.	
Quantity of water intake	Tap water	Global	10,000 m ³	400	362	381	383	377	
	Industrial water	Global	10,000 m ³	85	76	80	77	77	
	Groundwater, etc.	Global	10,000 m ³	567	523	469	448	465	
VOC emissions	Japan	t	100	87	87	81	81	Applicable sites: Susono Factory, Ohama Factory, Shimada Factory, Kan Kogyo, and Cable Technica	
Emissions of substances subjected to the PRTR Law	Japan	t	10	10	9	7	6	Applicable sites in fiscal year 2018: Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, and Tenryu Factory	
Transfer amounts of substances subjected to the PRTR Law	Japan	t	3	5	4	3	4	Applicable sites from fiscal year 2019 to 2021: Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, Tenryu Factory, and Kan Kogyo Applicable sites in fiscal year 2022: Susono Factory, Ohama Factory, Shimada Factory, Numazu Factory, Fuji Factory, Tenryu Factory, and Oita Parts Co., Ltd.	
Number of companies with ISO 14001 certification	Overseas	Companies	—	—	56	57	55		
	Japan	Companies	—	—	35	35	35		
Percentage of companies with ISO 14001 certification	Global	%	—	—	61	61	60		

Society

	Organizations covered	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Remarks
Consolidated net sales	Global	Billions of yen	1,945.4	1,714.0	1,609.0	1,799.2	2,269.7	
Breakdown of consolidated net sales by region	Japan	%	34.9	34.1	38.1	34.3	31.4	
	North, Central, and South America	%	30.3	31.8	26.8	29.1	32.0	
	Asia	%	17.4	16.7	17.7	19.2	18.3	
	Europe and Africa	%	17.4	17.4	17.4	17.4	18.3	

		Organizations covered	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Remarks
Number of employees		Total	Persons	249,667	243,723	239,753	235,554	241,484	Fiscal year 2018 onward: Excludes equity-method subsidiaries, subsidiaries excluded from the scope of consolidation, affiliated companies, and related incorporated foundations Fiscal year 2021 onward: Errors were corrected for overseas companies.
		Japan	Persons	18,557	18,139	18,026	17,961	17,873	
		Overseas	Persons	231,110	225,584	221,727	217,593	223,611	
Average years of service	Total	Japan	Year	—	17.2	17.0	17.8	18.5	*1, 2 Excluding non-regular employees Fiscal year 2021 onward: target conditions were changed.
	Male		Year	—	17.5	17.4	18.2	18.8	
	Female		Year	—	15.8	15.2	16.3	17.2	
Average age	Total	Japan	Age	—	40.4	40.3	41.1	42.3	*1, 2 Excluding non-regular employees Fiscal year 2021 onward: target conditions were changed.
	Male		Age	—	41.1	41.0	41.8	42.8	
	Female		Age	—	37.7	37.2	38.3	40.8	
Number of employees covered by a collective bargaining agreement		Japan	Persons	6,451	6,578	6,578	6,606	6,364	Number of employees in the Yazaki Labor Union (Comprised of employees from Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., and Yazaki Energy System Corporation)
Number of women in management positions		Japan	Persons	22	28	36	43	53	*1, 2
Percentage of women in management positions		Japan	%	1.6	2.1	2.3	2.7	3.2	*1, 2
Percentage of female employees		Japan	%	21.7	22.0	22.3	22.9	22.9	*1, 2
Number of employees with disabilities		Japan	Persons	290	307	329	335	329	A total of Yazaki Corporation, Yazaki Meter Co., Ltd., Yazaki Parts Co., Ltd., Yazaki Energy System Corporation, and the special subsidiary Yazaki Business Support Co., Ltd., calculated on the basis of the Act on the Promotion of the Employment of Persons with Disabilities
Percentage of employees with disabilities		Japan	%	2.38	2.47	2.67	2.76	2.74	
Percentage of non-regular employees		Japan	%	9.0	8.0	7.2	8.0	8.7	*1 Non-regular employment: Part-time, casual, temporarily reemployed retirees, other temporary workers, and technical trainees
Number of people employed under post-retirement reemployment systems	Anchor System (Permanent employees)	Japan	Persons	452	419	443	490	588	*1
	Elder System (Associate employees)		Persons	153	150	153	133	136	*1
	Senior System		Persons	—	—	16	37	60	*1 Reemployment system that enables retired employees to do the same work as regular employees
Average hours of overtime per month		Japan	Hours	17.5	13.9	9.7	12.8	11.9	*1
Paid leave usage rate		Japan	%	69.0	66.8	69.7	72.3	76.4	*1
Number of employees who took childcare leave	Total	Japan	Persons	72	98	90	113	147	*1
	Male		Persons	6	20	33	53	78	
	Female		Persons	66	78	57	63	69	
Childcare leave usage rate	Male	Japan	%	2.2	7.2	14.7	20.5	35.3	*1
	Female		%	100.0	98.6	100.0	100.0	100.0	
Reinstatement rate after childcare leave	Male	Japan	%	100.0	100.0	100.0	100.0	100.0	*1
	Female		%	97.4	97.0	100.0	96.5	98.3	
Retention rate after childcare leave the previous fiscal year	Male	Japan	%	100.0	100.0	100.0	100.0	90.6	*1
	Female		%	98.6	98.4	100.0	96.5	96.7	
Number of employees who used short working hours during childcare		Japan	Persons	222	206	225	347	340	*1
Number of employees who took nursing care leave		Japan	Persons	85	109	94	121	124	
Number of employees who took continuous elderly care leave		Japan	Persons	1	2	5	6	5	*1
Number of employees who used short working hours during elderly care		Japan	Persons	4	3	6	7	4	*1

*1 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

*2 Figures as of end of each fiscal year (June 20)

	Organizations covered	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Remarks
Number of employees that took elderly care leave	Japan	Persons	11	11	24	25	25	*1
Number of new graduate hires	Japan	Total	111	104	166	72	78	*1
		Male	91	80	122	62	64	
		Female	20	24	44	10	14	
Retention rate of new employees after three years	Japan	%	—	—	91.9	81.7	100.0	*1
Answer rate of the employee engagement survey	Japan	%	—	—	85.6	94.2	95.0	*1
Hours spent in training per employee	Japan	Hours	7.1	5.6	5.0	4.3	5.0	*1
Frequency rate of occupational accidents	Japan	—	0.26	0.41	0.36	0.45	0.29	All factories in Japan Frequency rate = (Number of people injured or who died due to occupational accidents / Total number of actual hours worked) x 1,000,000 The number of people injured or who died due to occupational accidents refers to the number of people who lost their lives or were forced to take one or more days off work due to a bodily injury or loss of bodily function. Frequency rate = (Number of people with recordable work-related injuries / Total number of hours worked) x 200,000 Number of people with recordable work-related injuries refers to the number of people who lost their lives in work-related accidents, or lost consciousness, or required one or more days off work, one or more days of restricted duties, transfer of workplace, or medical treatment greater than first aid.
	North, Central, and South America	—	0.091	0.079	0.089	0.118	0.081	
	Europe and Africa	—	0.055	0.045	0.041	0.021	0.010	
	Greater China	—	—	—	0.185	0.232	0.129	
	ASEAN	—	—	—	0.042	0.036	0.028	
	South America	—	—	—	0.000	0.011	0.039	
	India	—	—	—	0.000	0.010	0.000	
Severity rate of occupational accidents	Japan	—	0.0039	0.0099	0.0066	0.0068	0.0084	All factories in Japan
Number of sites with ISO 9001 certification	Japan	Sites	—	—	—	24	24	*2
	Overseas	Sites	—	—	—	24	24	
Number of sites with IATF 16949 certification	Japan	Sites	—	—	—	2	2	*2
	Overseas	Sites	—	—	—	134	134	

Governance and Compliance

	Organizations covered	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Remarks
Directors	Japan	Persons	—	—	—	7	9	Corporation covered: Yazaki Corporation
Number of outside directors	Japan	Persons	—	—	—	0	0	Corporation covered: Yazaki Corporation
Number of female directors	Japan	Persons	—	—	—	0	0	Corporation covered: Yazaki Corporation
Number of Board of Directors' meetings	Japan	Times	—	—	—	16	14	Corporation covered: Yazaki Corporation
Number of corporate auditors	Japan	Persons	—	—	—	3	3	Corporation covered: Yazaki Corporation Fiscal year 2021: Errors were corrected.
Number of whistleblower reports / consultations	Japan	Cases	43	39	46	43	64	
Number of customer privacy violations and data loss incidents	Global	Cases	—	—	0	0	0	

*1 Corporations covered: Yazaki Corporation; Yazaki Meter Co., Ltd.; Yazaki Parts Co., Ltd.; and Yazaki Energy System Corporation

*2 Figures as of end of each fiscal year (June 20)

Selected global sustainability initiatives

The Yazaki Group is engaging in various initiatives in accordance with the characteristics of the countries and regions it operates in. Here, we will introduce some of the initiatives underway in 46 countries and regions.

Category

Initiatives with employees

Contribution to development of local communities

Contribution to the environment

Europe



Germany

Yazaki Europe Middle East Africa (Y-EMEA)

50 leaders gather to improve understanding of Yazaki's values

Y-EMEA held a strategy meeting in Germany in November 2022, attended by 50 members of the leadership team. The theme of the conference was "Cultural Transformation," and under the guidance of experts, the focus was on building a common understanding of the Y-EMEA values that form the basis of our purpose "Sustainable Growth Together." At the meeting, we considered how to apply these values to our daily operations and how to contribute to the realization of the Yazaki Group's Corporate Policy.



United Kingdom

Yazaki Europe Limited (YEL)

Holding a "Christmas Jumper Day" to help kids

In December 2022, the YEL Basildon Headquarters held a "Christmas Jumper Day" fundraiser for the international NGO, Save the Children. At the event, team members wore eye-catching Christmas jumpers. A total of 304 pounds in donations were collected through the novelty jumper fundraiser and a raffle. It was a great success, with food baskets also donated.

In December 2022, a charity event was held for the Regina Margherita Children's Hospital in Turin, and volunteers from YEL-I attended in Santa Claus costumes. The event is called the "Santa Claus Reunion" and hundreds of supporters participate each year. Marathon runners, musicians, and riders dress up as Santa Claus to entertain children and wish them well.

Italy

Yazaki Europe Limited Italia S.R.L. (YEL-I)

Santa is coming to the city hospital



Belgium

YEL Belgium Branch Office (YEL-BL)

Charity event "Baking Contest"



YEL-BL holds a baking contest for charity during the Christmas season. In fiscal year 2022, 12 employees made cakes and sweets and sold them to their colleagues. The funds raised were donated to the charity campaign "De Warmste Week (The Warmest Week)." It gives back to community activities aimed at motivating and supporting the vulnerable and all those in need of empowerment.



Ukraine

Yazaki Ukraine L.L.C. (YUL)

For a brighter future for hearing-impaired children

Students from Uzihorod Special Boarding School, where children with hearing impairments study, visited YUL plant. As well as learning about the production site, the students were able to talk with employees, who were graduates of the school, about the working environment and other things. The students were very interested in the stories of the employees and the tour lasted longer than usual. YUL donated computers to these enthusiastic students.



Portugal

Yazaki Saltano de Ovar Produtos Electricos, Lda. (YSE)

We are blood donation champions!

Twice a year, YSE supports the Portuguese Blood Transplant Institute's blood donation program. In October 2022, 315 people donated blood, an increase of approximately 100 from the previous round. Of these, 54 were first-time donors. These efforts have made YSE a frequent donor in northern Portugal.



Croatia

YEL Zagreb Branch Office (YEL-Z)

Participated in a job fair for students in the fields of information technology and electrical engineering

In May 2023, YEL Zagreb exhibited at a local job fair. Many students, mainly in the fields of information technology and electrical engineering, visited the YEL booth. Our employees discussed their career goals and interests with the students and pointed out the variety of employment and internship opportunities at YEL. By displaying connectors and wires at the booth, we were able to raise the interest of visitors.



Poland

Yazaki Automotive Products Poland SP. Z.O.O. (YAP-P)

Christmas presents for children in orphanages

It is customary for YAP-P members to dress up as Santa Claus before Christmas. In 2022, we prepared 32 gifts based on requests from children at an orphanage in Orzesze, a city near YAP-P. Our employees brought the presents to the facility before Christmas. Through this activity, which gives joy to children and makes everyone smile, employees have once again realized the importance of helping others.



Romania

Yazaki Romania S.R.L. (YRL)

Internal awards for workplace safety and health

To raise and improve employee safety awareness and prevent potential problems, YRL has been carrying out an initiative since May 2022 to commemorate World Day for Safety and Health at Work by having one of its team members make a safety declaration at meetings every day. In order to reduce the risk of work-related injuries, each plant awards "The Best Daily Safety Declaration" based on motivation, S-PDCA and risk visualization, and raises employee awareness about the importance of workplace safety and health.

Y-EMEA, our regional headquarters in Europe, has established "Green Ambassadors" at each of our sites to promote sustainability in the region. Veselina, a HR specialist who is an ambassador at the YBE Krepost plant, has been working to recycle bottle caps. This activity has received the support of many employees, and money from the activity has been donated to help children who need medical equipment.



Bulgaria

Yazaki Bulgaria Eood (YBE)

Establishment of Green Ambassadors for environmental activities



Turkey

Yazaki Otomotiv Yan Sanayi ve Ticaret A.S. (YOT)

Established a production line for employees with hearing impairments

YOT Gemlik plant established a production line for employees with hearing impairments for "Hearing Impaired Week." As a result, employees with hearing impairments who struggled with normal line work and communication are now able to work more efficiently and happily than ever before. Normal hearing employees received sign language training to communicate comfortably with each other.



Slovakia

Yazaki Wiring Technologies Slovakia S.R.O. (YWTS)

Congratulations! 30th anniversary of YWTS Michalovce plant

YWTS Michalovce plant celebrated its 30 year anniversary in 2023. The employees held a celebration event on March 22, the anniversary of the foundation, to reflect on our 30-year success story. Established in 1993, the plant has expanded the production of wire harnesses and has also contributed to the development of the region through 30 years of business activities.

YSD held its first Family Day in September 2022. We have hosted Children's Day before, but it's now even bigger and more fun for families. Approximately 500 employees and their families were invited to the event and enjoyed various programs. The most popular program was the factory tour. The equipment, games, and sports events for children also led to many smiles.



Serbia

Yazaki Serbia D.O.O. (YSD)

YSD Held First Family Day

Asia



India

Yazaki India Private Limited (YIPL)

Engaged in a project to supply water to local residents

Since March 2023, YIPL has been working with an NGO on a water conservation project in Kanhur Mesai village, near Pune. In this project, we have engaged in restoration of the groundwater level by removing accumulated silt.* We also plan to remove debris, expand the canal, and install a water purification plant in the village hall. The project aims to benefit more than 4,000 local residents suffering from water shortages caused by drought.

* Granular material of a size between sand and clay. It causes low water visibility and poor drainage.



China

Xiaogan Yazaki Auto Parts Co., Ltd. (XYG)

Collecting plastic bottles to reduce plastic waste

To mark World Environment Day on June 5, employees of XYG held an event to collect plastic bottles as part of an environmental activity with the theme of reducing plastic waste. The bottles, as well as bottles employees brought from their homes, were exchanged for reusable bags. The 628 bottles that were collected were processed and recycled by a specialized processing organization. We will continue to engage in similar efforts to prevent plastic waste from entering the ocean to address marine plastic pollution.

In May 2023, the large-scale cyclone Mocha caused major damage in Rakhine State, western Myanmar, including the collapse of houses and the occurrence of injuries and fatalities. Recognizing the urgent need for assistance, MYT sent used clothing and donations collected from employees to the affected areas. We will continue to contribute to the local community through activities in accordance with our Corporate Policy.



Myanmar

Myanmar Yazaki Thilawa Company Limited (MYT)

Support for cyclone-affected areas

Africa

Morocco

Yazaki Morocco S.A. (YMO)

Providing medical checkups and medical supplies to 600 people

In December 2022, YMO provided free medical checkups and medical supplies to approximately 600 people in a village near Khenifra for those in need without access to appropriate medical care. The project, organized by the Lions Club of YMO and Al Akhawayn University students, and the Faculty of Medicine and Government of Fez, brought together doctors, students, and more than 80 volunteers to support the initiative.



Tunisia

Yazaki Tunisia S.A.R.L. (YTU)

Improving employee satisfaction through collaboration with a community kindergarten

One of YTU's core values is to take care of its employees and their families. As an initiative to embody this, in October 2022, it invested in the opening of a kindergarten, and 49 children of employees began to attend. By providing high-quality education with an emphasis on work-life balance, the school has brought smiles to both children and their parents and has contributed to higher levels of employee satisfaction at YTU.



In November 2022, HESTO donated a computer lab to Umphumulo Elementary School. The facility is equipped with 40 computers, printers, projectors and screens, as well as air conditioning. In the past, children at the elementary school rarely had access to computers, but now they can learn computer skills.

South Africa

Hesto Harnesses (Proprietary) Limited

Donation of a computer lab to elementary school students to provide learning opportunities





Thailand

Thai-Yazaki Electric Wire Co., Ltd. (TYE)

Donation of electric wires and creation of cement tiles for alleyways

In June 2023, TYE carried out social contribution activities in Samut Prakan Province, such as donating electric wires manufactured by Yazaki in cooperation with local private organizations and creating cement tiles. The wires were donated to a temple and used for their electrical system, and cement tiles were used to repair and construct alleyways in the area.



Taiwan

Taiwan Yazaki Corporation (TYC)

Providing scrap wood pallets to the "Forest School"

TYC provided scrap wood pallets, which were no longer used at its factory, for a "Forest School" event held in a forest park in Pingtung County. The Forest School was established to give everyone the opportunity to easily experience the forest and learn about its earth, trees, and lifeforms. The pallets were used as work benches and rest seats in the experience area. After the event, they were given to three villages for use in the organization of agricultural fields.



Japan

Shikoku Parts Co., Ltd.

Growing saplings from acorns to contribute to forests

The Kochi Factory of Shikoku Parts Co., Ltd. began growing saplings from acorns to contribute to the area's Reiwa Forest Building Project. In the fall of 2022, we called on employees to pick up acorns to foster their interest in the mountain environment. The employees then grew saplings from the acorns and planted them in Yusuhara's mountains to contribute to the creation of sustainable forests.

Cambodia

Yazaki (Cambodia) Products Co., Ltd. (YCP)

Repairing the roof of a donated school building



YCP donated a school building to Niang Kok Elementary School in Koh Kong Province when we established a company there in 2012. However, upon visiting the school in July 2022, we noticed that the building's roof had been damaged, resulting in rain entering and causing problems for the students. YCP repaired the roof to fix this situation. The teachers, students, and other people in the province were delighted at the handover ceremony in December, and it was also a meaningful activity for YCP.

For over 20 years, YEV has been giving Christmas and Lunar New Year presents to children living in a community orphanage and facility for children with disabilities. In 2022, cookies and sweets were given to roughly 600 children following a three-year hiatus due to the COVID-19 pandemic. We will continue this activity to bring smiles and an enjoyable Christmas and Lunar New Year's experience to the children.



Vietnam

Yazaki EDS Vietnam, Co., Ltd. (YEV)

Giving presents to bring smiles to children in an orphanage



South Korea

Yazaki Corporation Korea Branch Office (YKBO)

"One for All, All for One" activities in South Korea

In February 2023, a major earthquake occurred in southern Turkey, where Yazaki has a subsidiary. Focusing on what we could do to help, all YKBO employees worked together to collect donations. Inspired by this, YKBO launched activities to contribute to society under the name of "One for All, All for One." In June, YKBO employees collected items such as clothing they were no longer using and donated them to an NPO to support people in poverty. We will continue to engage in activities to contribute to society to ensure people can live better and fulfilling lives.

EMI is engaged in activities to build sustainable communities. As part of this effort, in March 2023, we donated laptops, printers, educational toys, and educational materials to 14 nursery schools in Imus City. We also donated air conditioners, fans, and kitchen utensils to help create a more comfortable learning environment.



Philippines
EDS Manufacturing, Incorporated (EMI)

Donation of materials and equipment to local nursery schools

Asia



Indonesia
Yazaki Group Indonesia

Giving donations for the socially vulnerable at the Eid al-Adha

The Eid al-Adha is a major Islamic festival celebrated on the final day of the annual pilgrimage to Mecca. At this time, sheep, goats, and cattle are offered as sacrifices to God. Roughly 30,000 employees working at Yazaki Group companies in Indonesia, donated sheep and cattle to the villages and mosques in the areas of their respective companies for the festival. The meat offered through the sacrifice is distributed to local residents and the socially vulnerable such as those in poverty or orphans.



Singapore
YGP Pte. Ltd.

Compliance training for YGP employees

In order to comply with the Yazaki Group's policies and business ethics and conduct appropriate transactions, the YGP Compliance Officer served as a lecturer and conducted awareness-raising activities on bribery, corruption and anti-competition laws. We also conducted online compliance assessments for employees to remind them of the importance of compliance.

North, Central, and South America

Mexico
Grupo Yazaki S.A. de C.V.

Creating a rewarding workplace for everyone

One of the Yazaki Group's values is its people. As a member of the Yazaki Group, we aim to create jobs and improve the quality of life of the entire local community. As part of this, we promote employment for people with disabilities. In Mexico, we have 92 employees with disabilities, including hearing, visual, and mobility impairments. Their attitude to work is excellent and they are highly productive. We will continue to build a fair hiring and promotion process and an inclusive work environment, aiming to make the workplace comfortable for everyone.



U.S.A.
Yazaki North America, Inc. (YNA)

Community contribution activities through a food bank

YNA has been contributing to the local community for decades, and many of our employees, including interns, participate in these activities. In June 2023, we worked with the Gleaners Community Food Bank to provide food to neighbors in need. Through this activity, the interns learned that their activities could have a positive impact on society. YNA will continue to contribute to the community through the provision of food essential to people's lives.

The vendor that provides food services to the workers at ARCES used disposable plates and cups. We launched an improvement project with them and changed to reusable tableware in March 2023. As a result, the amount of waste discharged by the company was reduced from 547 kg in January to 125 kg in March, a 77% reduction.



El Salvador
Arnecom de El Salvador S. A. de C.V. (ARCES)

77% reduction in landfill waste from food services



Guatemala

Yazaki de Guatemala, S.A. (YGS)

Traffic safety awareness activities to prevent motorcycle accidents

In Guatemala, the high accident rate among motorcyclists has been a social issue. Since many employees at YGS use motorcycles, we are promoting road safety awareness for riders. In addition to displaying safety equipment, we held a traffic safety poster and craft contest for the children of our employees. The children's involvement in educational activities has led to the proper use of safety equipment and increased their awareness.

YCSA strives to make the most of our limited resources. Since fiscal year 2020, we have collected water used in our plants into water tanks, purified it, and reused it in the plants. This reduced consumption of clean water by up to roughly 70%, resulting in significant water savings. To achieve SDG 6, we promote multiple effects of water pollution prevention and water resource conservation not only within the company but also with local communities, suppliers, and customers.



Colombia

Yazaki Ciemel S.A. (YCSA)

Contribution to SDG 6 by saving water!

Nicaragua

Yazaki de Nicaragua S.A. (NIC)

Awards and support for high-achieving children of employees



NIC awards the high-achieving children of employees. To date, more than 1,000 children have been honored with a certificate of commendation, a Medal of Honor, a backpack, and a year's worth of notebooks. Children who are honored more than five times in a row will also receive a cash prize and a special backpack. This initiative shows employees that their children are also part of the Yazaki family.

YUY conducted a campaign to raise awareness of the importance of safe behavior in the workplace during "Green April," a month for workplace safety, health, and accident prevention. This has been conducted throughout Yazaki Mercosur for many years and contributes to the creation of a safe and healthy work environment. YUY held lectures and training sessions on the importance of proper techniques for using personal protective equipment and handling machines.



Uruguay

Yazaki Uruguay S.A. (YUY)

Safety education campaign in "Green April"



Brazil

Yazaki do Brasil Ltda. (YBL)

Started sign language classes for instructors at the training center

YBL has started a course on the Brazilian sign language "Libras" for instructors at the Yazaki Mercosur Group (YM) training center. In this course, students learn about Libras grammar, greetings, simple questions, and work-related vocabulary. YM aims to create a work environment where everyone has opportunities for education and development, and this initiative is an important step in promoting inclusion and accessibility for people with hearing loss.

Argentina

Yazaki Argentina S.R.L. (YAS)

Exhibited at one of the largest business fairs



YAS participated in Expo Escobar 2023, one of the largest business fairs in Argentina, in June 2023. We have shown to visitors that YAS is a company that employs over 1,500 people and creates quality jobs to contribute to building a better future for all. During the exhibition, we let visitors experience our production activities and received resumes from visitors interested in working for YAS.



Paraguay

Yazaki Paraguay S.R.L. (YPY)

Yellow May Campaign for raising awareness of traffic safety

YPY conducted the Yellow May Campaign to raise awareness of the importance of safe driving. The theme for 2022 was "you are also responsible for safe traffic" and emphasized the need for society as a whole to work to change the situation of transportation problems. The campaign was conducted throughout the entire Mercosur region, with each site holding lectures by experts and distributing educational leaflets by employees. YPY will continue to raise the awareness of the entire local community, putting safety first.

Message from the Honorary Chairman

It begins with happiness

Yasuhiko Yazaki

Honorary Chairman
Yazaki Corporation



Nothing makes me happier than to hear people say that Yazaki employees look energetic and happy.

When employees put this energetic attitude into their work, it makes the entire workplace more positive, leading to better interpersonal relationships and improved efficiency. They can then return home at the end of the day with a sense of contentment, passing their happiness on to their family members. Their happiness at work also contributes to the development of our business, which in turn spreads happiness throughout society.

As exemplified in the special feature on our Guatemala Factory, it fills me with joy and inspiration to see how coworkers at our sites embrace a positive mindset and bring it back to their families and communities.

Lately, though, I have noticed in Japan that many people in the city seem stressed, and this is something I have also observed among Yazaki employees here.

We offer an agricultural experience program that our employees can participate in if they feel they need to take a

break from their work. This gives them a chance to engage in tasks that are directly affected by the weather and other natural elements, and often don't go according to plan. By encountering nature's mountains, rivers, and oceans, they can experience both its calming beauty and untamed ruggedness.

They can also discover the simple satisfaction that comes from seeing crops grow despite the difficulties they endure. Perhaps most importantly, the program brings smiles to all of the participants' faces.

With companies now being called to address CSR and sustainability, it is of course critical that we contribute to resolving social issues through products and services. However, I hope that we also continue to bring happiness to people through a range of initiatives that, rather than being extravagant, are straightforward and uniquely Yazaki.

I firmly believe that we can create many more smiles in society by fulfilling our Corporate Policy of "A Corporation in Step with the World" and "A Corporation Needed by Society." To make this a reality, we will strive more than ever before.



Third-party Opinion

On Reading the Sustainability Report

This fiscal year marks the Yazaki Group's first Sustainability Report, which replaces and expands on its former CSR Report. This is not simply a change in title and editing method, but rather reflects the Group's aim to position sustainability at the core of its management. I encourage everyone to read the president's message at the beginning of the report as it clearly expresses the Group's commitment to this direction. The Group aims to survive amid new competition in the automotive industry with the shift to electric vehicles (EVs), make qualitative changes in its wire harness business in line with electrification, and enhance engagement with each employee. Under a growth strategy based on these aims, it seeks to create social value through sustainability, and it is also embracing the challenge of re-evaluating its role in society. To transition from a somewhat passive CSR-oriented approach to a more proactive stance centered on sustainability, the Group is working to formulate its value creation process, revise its CSR Policy, and expand information disclosures. The president's attitude of boldly taking on new challenges is highly commendable.

I would like to describe a few points that I believe will be important for the promotion of sustainability in the future.

The first is the enhancement of details on human resources. The special feature in this report focused on the Group's Guatemala site to demonstrate sustainability in action. By presenting the voices of the employees who actually work in the factory, the feature provides an excellent glimpse into the company's management, which has been recognized both

Mitsuo Ogawa

President
Craig Consulting Co., Ltd.



internally and externally for how it values people. I would like to see the Group provide more examples like this. An effective way of doing this could be to present round-table discussions where, for example, junior employees discuss how they envision Yazaki in 10 years from now, or technical employees discuss the Group's technology. The content of these open discussions could focus on the Group's unique efforts, and be easily read by employees and their family members.

The second point I would like to raise is the handling of KPIs. Priority issues and KPIs for sustainability are listed on page 22 of this report. While it is outstanding that the Group has set KPIs, it is important that it considers future targets for them, such as target values to be achieved for 2030. Ideally, annual targets could then be set by backcasting from these future targets. This will make it possible to evaluate current progress. The Group has set the percentage of women in management positions as the diversity KPI. While of course this indicator is essential, since the Group operates globally, the percentage of local people serving as presidents at overseas sites could also serve as a unique indicator.

Lastly, I would like to see more activities that help people to truly identify with Yazaki. While those shown in this report have been presented flawlessly, I feel the Group should engage in more activities that leave a clear and lasting impression of Yazaki. Just as President Riku Yazaki touched on at the beginning of the report, it would be terrific to see some more strategic initiatives that are uniquely Yazaki.

Responding to Third-party Feedback

Junichi Kitami

Managing Executive Officer
General Manager,
Corporate Governance and
Legal Affairs Division
Yazaki Corporation

I am deeply grateful to Mr. Mitsuo Ogawa for providing valuable feedback. This year, the report's title was changed from CSR Report to Sustainability Report to reflect our commitment to contributing to a sustainable society by further enhancing our corporate value. Accordingly, we have revised our priority issues and initiative themes to focus on promoting sustainability, and have enhanced our KPIs. To foster a sense of connection with everyone who reads this report, including employees and their families, we introduced examples of the sustainability initiatives

that we are engaging in with our partners and stakeholders throughout the world. We are deeply encouraged to have our commitment and efforts toward sustainability recognized in this year's feedback.

On the other hand, Mr. Mitsuo Ogawa also raised some points that should be addressed to better promote sustainability. In regard to human resources, which was one of these points, we will endeavor to expand our efforts and enhance our information disclosures. We have recognized this as an important factor for further improving employee engagement and promoting DE&I. With regard to KPIs, we will thoroughly examine the setting of annual goals by backcasting from future goals. I would also like us to focus on strategic initiatives for sustainability that are unique to Yazaki.

We will carefully consider this feedback and strive to promote sustainability management.

Yazaki Corporation

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