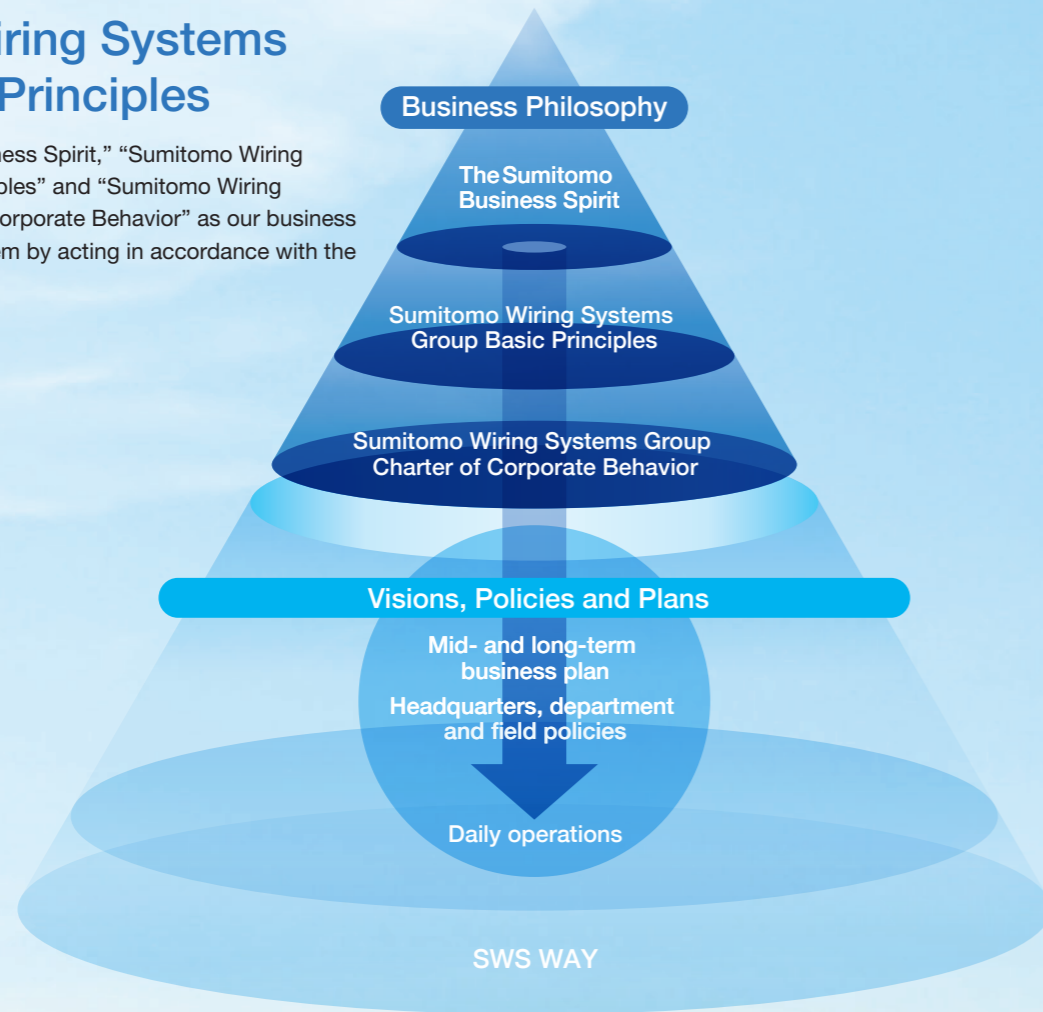


CSR REPORT 2020

Corporate Social Responsibility Report

Sumitomo Wiring Systems Group Basic Principles

We set the "Sumitomo Business Spirit," "Sumitomo Wiring Systems Group Basic Principles" and "Sumitomo Wiring Systems Group Charter of Corporate Behavior" as our business philosophy and actualize them by acting in accordance with the SWS WAY.



The Sumitomo Business Spirit

Business Principles

Article 1

Sumitomo shall achieve prosperity based on solid foundation by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo's business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue immoral business.

(Quoted from the Sumitomo Goshi Kaisha Administrative Regulations formulated in 1928)

Banji-nissei

This word means "do your sincere best, not only in business, but also in every aspect of your life." Sumitomo personnel are expected to work not only to make money, but also to cultivate their character and grow into better human beings.

Shinyo-kakujitsu

This word emphasizes the importance of integrity, that is, being worthy of the trust of others.

Fusu-furi

This word speaks of the importance of working proactively, pursuing profit by quickly and appropriately responding to changes in society and not being content with the status quo. At the same time, it emphasizes the importance of harmonizing business gains with the public interest and scorns reckless or careless actions in pursuit of easy gain. While furi means easy, temporary or short-term gain, the term also implies unfair profit obtained through dishonest means.

In addition, the Sumitomo Spirit includes the following principles.

"Attaching Importance to Technology"

"Respect for Human Resources"

"Long-Range Planning"

"Mutual Prosperity, Respect for the Public Good"

Sumitomo Wiring Systems Group Basic Principles

In the spirit of "Connect with the Best," we at the SWS Group are committed to:

- Contributing to the global community through business success;
- Realizing customer satisfaction through high-standard service;
- Developing the prospective future through creation and innovation;
- Preserving corporate ethics based on integrity and trust; and
- Respecting individuality and nurturing a vigorous and prosperous corporate culture.

Sumitomo Wiring Systems Group Charter of Corporate Behavior (Contents)

1. Provision of excellent products and services
2. Development of new, original business and products
3. Global business expansion, and growth and development of the Group
4. Consideration for global environment
5. Observance of laws and regulations
6. Fair and appropriate business activities
7. Action with awareness as members of society
8. Harmony with international society
9. Establishment of pleasant working environment and cultivation of personnel
10. Appropriate information disclosure and promotion of communication

SWS WAY

A set of action guidelines of the Sumitomo Wiring Systems (SWS) Group established in 2005. Revised in 2020 into the three themes of professional, teamwork and challenging spirit.

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Editorial Policy

The Sumitomo Wiring Systems Group publishes an annual CSR report to share information on Group activities with stakeholders. The SWS CSR Report 2020, our 13th edition, has a redesigned structure to provide an overview of our initiatives for each stakeholder group instead of organizing the presentation by our eight CSR priorities. We also concisely summarize our stance on CSR activities in terms of ESG (environment, social and governance) information. In addition, we added a diagram of the SWS Group's basic philosophy as revised in October 2020, a new section summarizing the highlights of our activities throughout the year and a special feature entitled "the world's most rewarding and vibrant company to work for" that we want to become through our efforts to promote health and productivity management. If you would like to provide feedback on this report, we would be grateful to hear from you.

Period Covered by this CSR Report and Date of Publication

Date of publication: October 2020
April 1, 2019 through March 31, 2020 (fiscal 2019)
Some activities conducted in fiscal 2020 are also covered.

Scope of this CSR Report

Sumitomo Wiring Systems Group
In this CSR report, "Sumitomo Wiring Systems," "the (our) company" and "SWS" refer to Sumitomo Wiring Systems, Ltd., and "the SWS Group" and "the Group" refer to Sumitomo Wiring Systems and its subsidiaries. However, items referenced within a specifically limited scope are indicated in the text or footnoted in tables and graphs.

Guidelines Referenced

- ▶ GRI Sustainability Reporting Standards 2016/2018
- ▶ Environmental Reporting Guidelines 2018 issued by the Ministry of the Environment of Japan

The GRI Content Index is available at:

<https://www.sws.co.jp/en/csr/report/>

All necessary measures to prevent the spread of COVID-19 have been taken in publishing this report.

Opening the Future of Automobiles with Our Partners Using Technological Capabilities We Have Cultivated Over the Years



Capturing the Era of Change as an Opportunity

In fiscal 2019, the second year of our mid-term management plan 22VISION, we were able to push our sales to exceed last year, which had been a record high, by increasing orders for wiring harnesses for new car models despite the aftermath of US-China trade frictions and intensifying competition from the entry of different industries. We were forced to see our profits drop, however, in the wake of increased costs resulting from a wage increase, mainly in emerging countries, and stagnation of production activities due to the novel coronavirus pandemic. The lower profit was also influenced by the higher costs for adapting to CASE (Connected, Autonomous, Shared and Electric) vehicles, a major level of transformation in the automobile industry that is said to occur only once in a century.

I believe situations like these that may appear hopeless can also represent opportunities. While improving profitability is essential for our growth, CASE-related capital investment and R&D are for the sole purpose of investing in the future in anticipation of a new era. In particular, we are making progress in developing unique products related to connected vehicles, where demand for high-speed data communication parts is expected to increase, and electric vehicles, such as high-speed data communication connectors, battery wire modules and aluminum wiring harnesses.

Working Hand in Hand with Our Customers and Suppliers

Not satisfied with the status quo, we are constantly seeking new opportunities and continued growth. Improving our corporate structure and profitability is indispensable as the foundation for strengthening our manufacturing capabilities, enhancing our strengths in development and proposals as well as accelerating commercialization of our products, and improving our human resources and organizational capabilities, which are the priority targets we have identified to realize 22VISION. Along with the integrated efforts of the Group, Sumitomo Electric Industries and with our affiliate AutoNetworks Technologies, we will further improve efficiency and accelerate R&D efforts in new areas and maximize synergies.

In the midst of growing concerns over the prolonged and extensive impacts of the COVID-19 pandemic on the economy, it is also important to work hand in hand with our customers and suppliers to overcome this challenge. While promoting customer-based and customer-oriented development work and supporting our supply chain business partners, we will deepen our relationships with trust and forge supply chain partnerships.

Realizing Ideals through Our CSR Practice

We are a global company operating in 31 countries around the world with the goal of becoming a mega supplier focused on wiring harnesses. As a group with about 230,000 employees from diverse backgrounds, it is essential to have shared values at work to motivate employees to unite as one corporate entity, achieve sustainable growth across the Group and respond to social expectations. One standard is defined by the three ideals we intend to realize through our CSR practice: globally uniform highest quality; trust, familiarity, and accessibility; and living with local communities. The driving force behind meeting these important standards is in fact our own employees.

In April 2020, we set out the Sumitomo Wiring Systems Group Health Declaration with the belief that the wellspring

of a vibrant company is the sound health of every employee. From the viewpoint of promoting health and productivity management, we will maintain close communication with our employees and support personal health efforts to raise awareness of healthy lifestyles. At the same time, we will once again return to the foundation of our corporate management that safety is our top priority and ensure that all our employees are fully compliant and aware of safety rules for zero workplace accidents to improve productivity.

We have grown into a major enterprise since our founding in Yokkaichi City, Mie Prefecture 103 years ago, and as a responsible corporate citizen, I believe we must give back to the local community. We actively engage in local communities through support for the women's rugby team in Yokkaichi City, promotion of activities to support people with disabilities, and participation in other local events. It is only natural for us to give back to the local communities that have given us so much. All our domestic and overseas sites are also engaged in efforts to achieve co-existence and co-prosperity with local communities.

We are also striving to contribute to reducing environmental impacts including CO₂ emissions as a responsible member in the automobile industry. Our commitment to global environmental issues is represented by the development of the world's highest quality aluminum wiring harnesses that can help reduce the weight of car bodies and fuel consumption, thereby improving the quality of automobiles.

Our Starting Point of "Connect" as a Foundation

Especially during this era of rapid change, it is important for each employee to be aware of their responsibilities and duties as part of the SWS Group, which operates at a global scale, to understand the impact the entire Group has on the global environment while accurately and quickly assessing the needs of a changing world and addressing them through our business activities. This will lead the Group to becoming the world's most rewarding and vibrant company, which we have long advocated.

The basic philosophy of the SWS Group, "Connect with the Best," encompasses our commitment to most effectively connect the various environments surrounding us as well as product parts.

Our starting point is to "Connect." We will increase convenience by connecting vehicles with people and society and opening up the future of automobiles by fully utilizing the technological capabilities we have cultivated over the years. These efforts will enable us to continue to be a company that contributes to realizing a sustainable society.

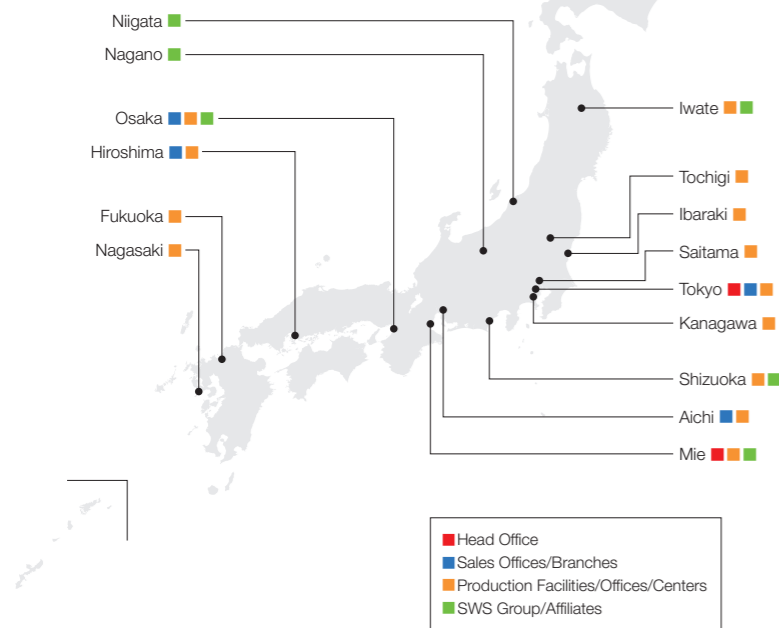
Fumiyo Kawai
Representative Director
President and Chief Executive Officer
Sumitomo Wiring Systems, Ltd.

Global Network

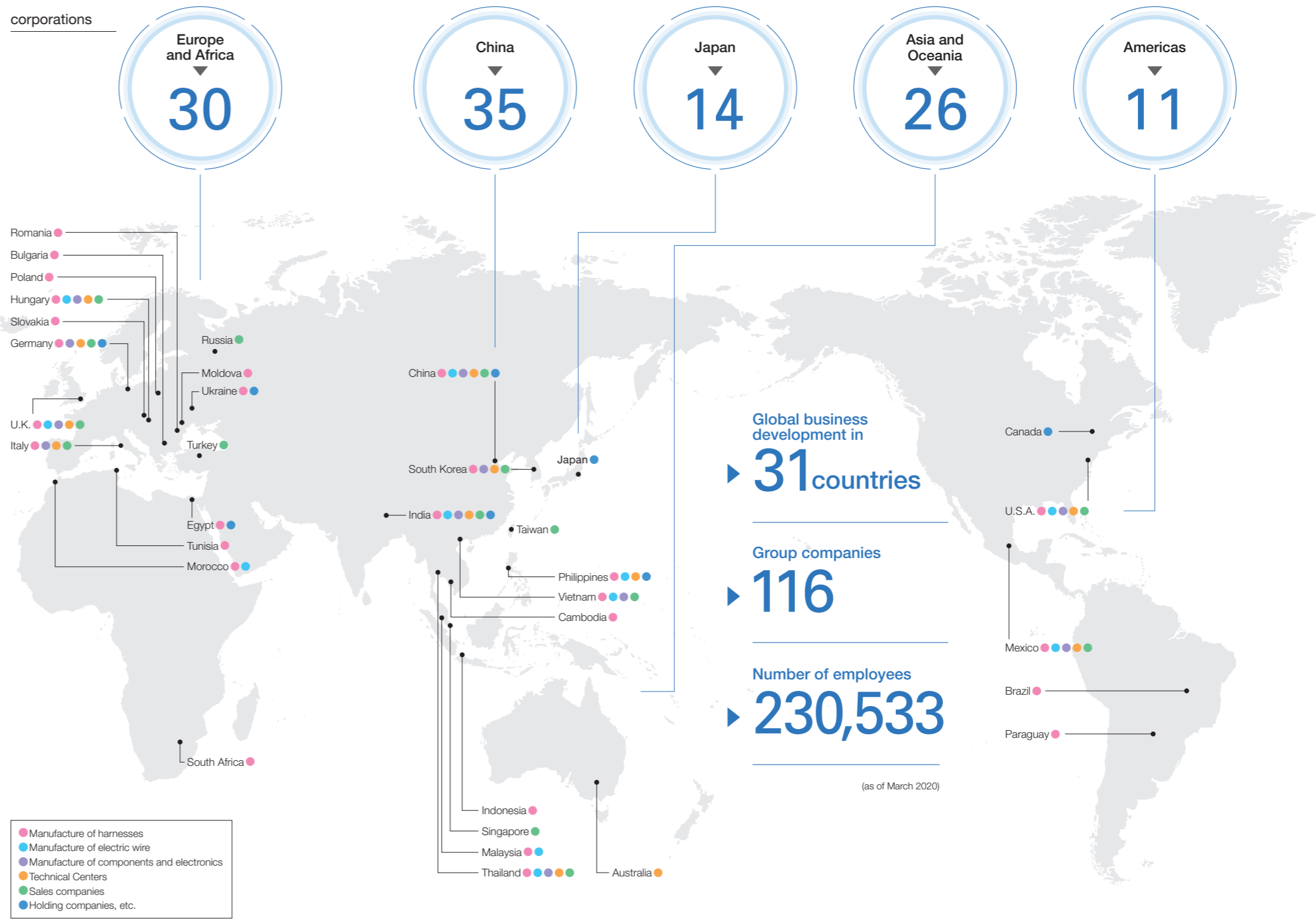
The SWS Group operates as a global wiring harness supplier in 31 countries with 116 Group companies and 230,000 employees, offering products having what we refer to as "globally uniform highest quality" as a world-class partner for automotive manufacturers.

Corporate Profile

Company Name : Sumitomo Wiring Systems, Ltd.
 Established : December 1917
 President : Fumiyoshi Kawai
 Capital : 20.042 billion yen (as of March 31, 2020)
 Head Office : 5-28 Hamada-cho, Yokkaichi, Mie Prefecture, Japan
 Affiliates : 14 in Japan, 102 overseas
 Employees : 14,240 in Japan, 216,293 overseas, and 230,533 in total (as of March 31, 2020)

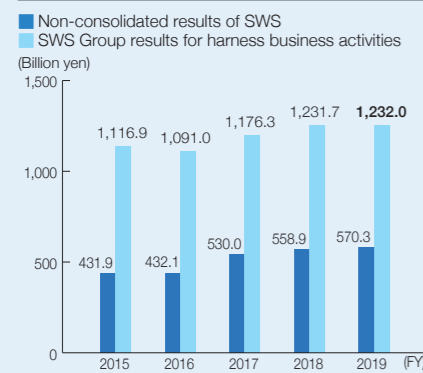


corporations

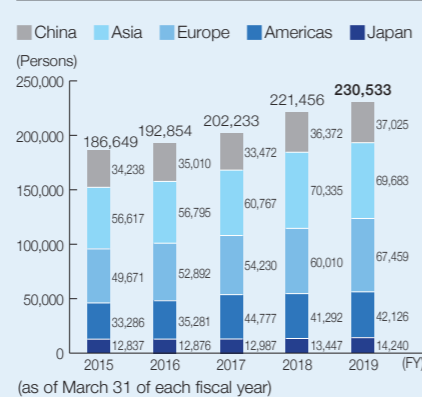


Financial/Non-financial Information

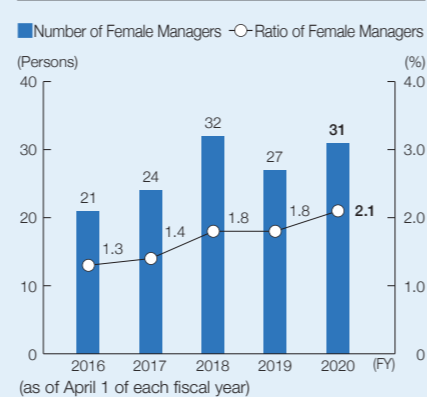
Sales



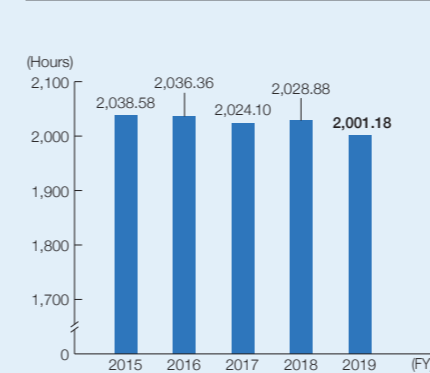
Number of Employees (by Area)



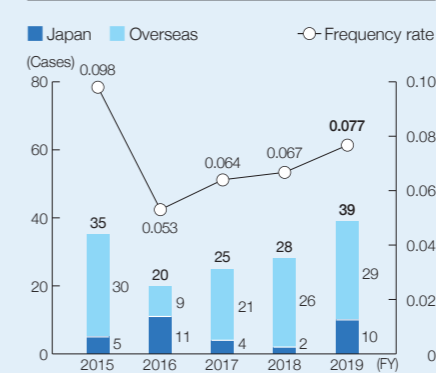
Number and Ratio of Female Managers (non-consolidated)



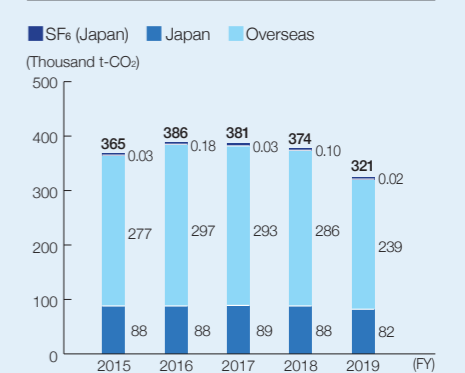
Average Annual Hours Worked (non-consolidated)



Industrial Accidents



Greenhouse Gas Emissions



Our Businesses and Products

The SWS Group maintains a leading market share in the production of wiring harnesses. With cutting-edge research and development, we apply our expertise to related areas and technologies and offer a wide range of products across the globe. We also deliver the highest quality products that customers can depend on and contribute to the next generation of mobility society as a total supplier capable of meeting a variety of needs by pursuing greater safety, comfort and environmental performance.

Wiring Harnesses for Automobiles

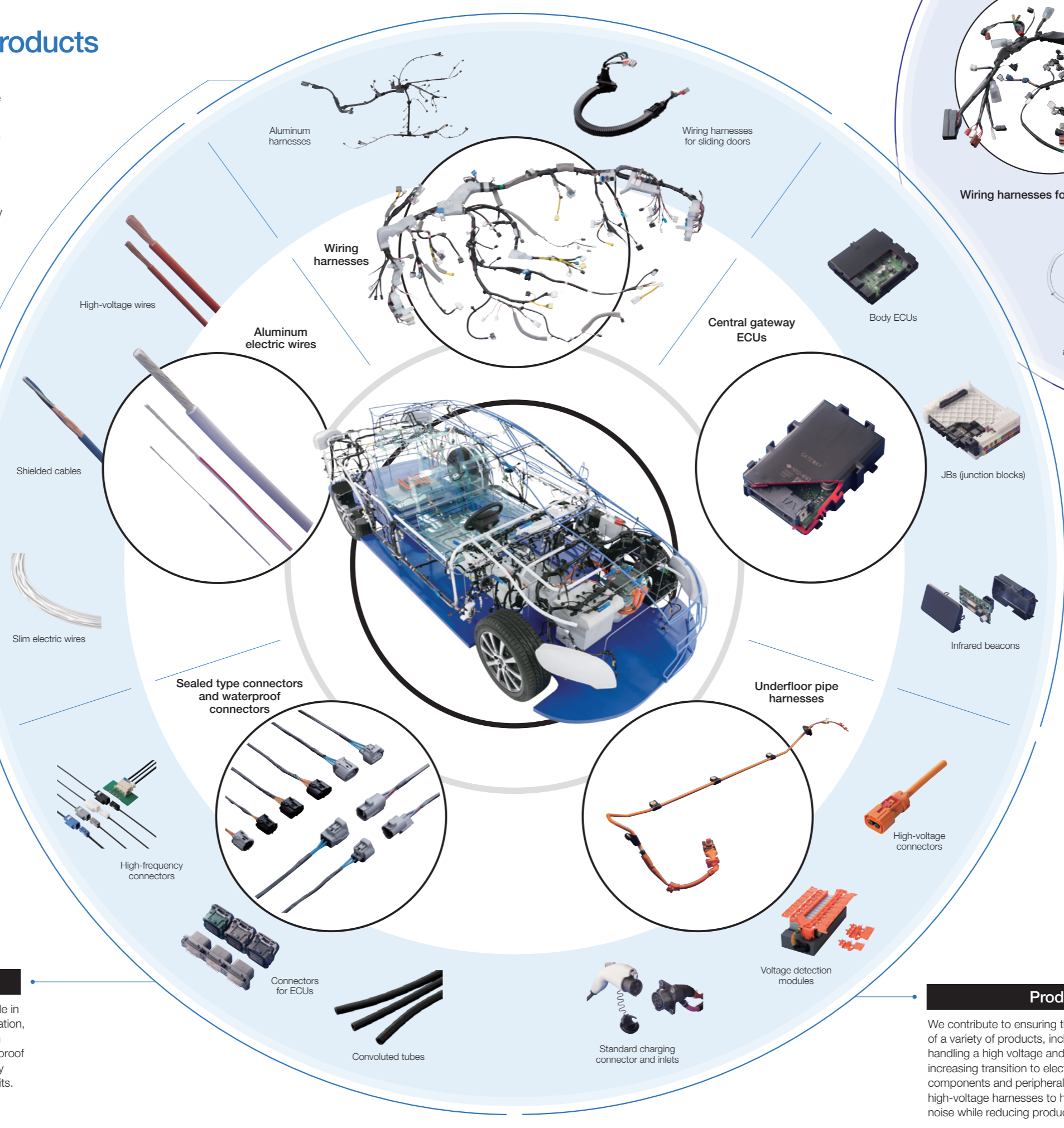
The SWS Group's automotive wiring harnesses are used throughout the world. We have developed new technologies to keep pace with the evolution of the automobile, meeting the diverse needs of our customers. Wiring harnesses that connect various components to transmit electric signals are the lifelines of vehicles. Our wiring harnesses, produced with a high level of technology, have been supporting the evolution of automobiles. Aluminum harnesses that reflect our successful efforts to significantly reduce weight have contributed to improved vehicle fuel efficiency. More recently, we have developed optical harnesses that enable high-capacity, high-speed data transmission and are thereby supporting the next generation of vehicles in a way that is unseen yet indispensable.

Electric wires and cables for automobiles

We design the wires used in wiring harnesses to continuously evolve as we meet the needs for compactness, reduced weight, and high-speed and large-volume communications. Moreover, we proudly offer an industry-leading lineup of wire products that will consistently support connected cars with slimmer, lighter, and faster features. Wiring harnesses consist of a bundle of wires, and each wire is responsible for carrying electric signals and energy used for starting the engine, lighting, meters and other vehicle devices.

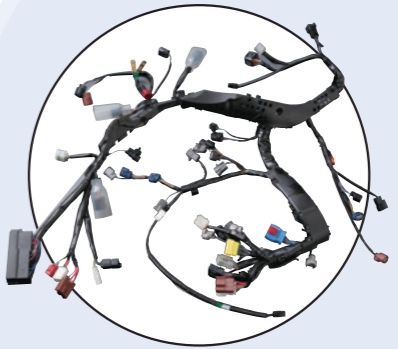
Components for wiring harnesses

Harness components used in connecting wires are available in a number of variations to deal with high temperatures, vibration, waterproofing, noise, and other severe conditions to which they are exposed. Our harness components include waterproof connecting wires used in engine rooms and high-frequency connectors between antenna and on-board multimedia units. Additionally, they respond to the need for downsizing and highly reliable performance.

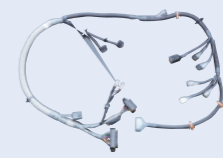


Various wiring harnesses

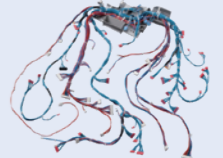
Wiring harnesses that transmit electronic signals and energy are used in many fields. We develop and manufacture harnesses for a wide range of needs, including motorcycles that require a high level of waterproofing, office equipment such as copiers and printers, and agricultural machinery with waterproofing and rodent resistance.



Wiring harnesses for motorcycles



Wiring harnesses for agricultural machinery



Wiring harnesses for office equipment

Electronic products

High-performance electronic components are increasingly indispensable alongside rapid progress in artificial intelligence for automobiles. We have developed a wide variety of electronic components to control vehicles electronically and strive to make them smaller and lighter by integrating parts that combine the functions of multiple components. For example, we have developed a number of electronic components such as those that control smart entry systems for keyless operation and support the latest self-driving systems.

Products for HVs and EVs

We contribute to ensuring the safety of HVs and EVs through the development of a variety of products, including under-floor pipe harnesses capable of handling a high voltage and large currents, which are indispensable for the increasing transition to electrically powered vehicles, as well as connecting components and peripheral devices. The use of aluminum piping enables these high-voltage harnesses to handle large currents and shield electromagnetic noise while reducing product size, weight, and cost.

Promoting Health and Productivity Management to Become the World's Most Rewarding and Vibrant Company for Employees

We believe that we can become the world's most rewarding and vibrant company to work for only after the mental and physical wellbeing of employees is secured. We will therefore regard the maintenance and improvement of employee health as our investment toward the future and aggressively promote Health and Productivity Management.



▶ Until Today

Efforts for Promoting Health and Productivity Management

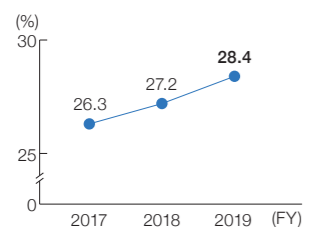
The SWS Group believes that a vibrant company depends on the sound health of every employee. With this belief, we have taken action to prevent both mental and physical hazards and helped employees to maintain and improve their health.

In terms of mental health, we have improved the work environment based on the results of stress checks and also provided training for all employees to correct misperceptions, inspired by cognitive behavioral therapy. In terms of physical health, we have helped employees improve their diet and exercise habits through the Health Promotion Challenge, in which employees worked in small groups to prevent lifestyle diseases, and also offer health seminars led by employee athletes.

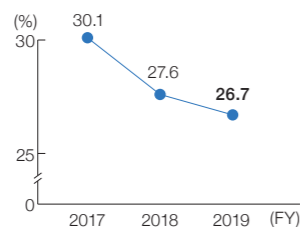
Each region has also independently promoted health by hosting walking events and other unique initiatives. Thanks to these efforts, more employees have been making healthy lifestyle changes, as shown by the increase in the percentage of employees who exercise daily. To prevent passive smoking, we have been making both physical and non-physical improvements such as restricting the times when smoking is allowed. We also tighten these restrictions every year to prevent passive smoking and, as a result, fewer employees are smoking.

Because of these efforts we were recognized as a White 500 organization among the Certified Health and Productivity Management Organizations under the large enterprise category in February 2019 and a Health and Productivity Management Organization under the large enterprise category in March 2020.

Rate of those who exercise regularly



Rate of smokers



▶ Page 24 About Health and Productivity Management

▶ At Present

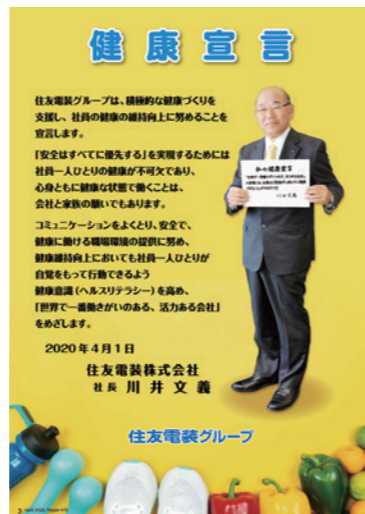
Establishment of a Health Declaration

Recognizing that the good health of our employees is the foundation for generating new corporate value, we have been actively promoting employee health.

In April 2020, we set out the Sumitomo Wiring Systems Group Health Declaration to continue and further strengthen these efforts, fully support the maintenance and improvement of employee health and improve productivity.

By presenting our health philosophy and policy as a declaration of the president, we affirmed our commitment to promoting health and productivity management across the company. At the same time, we implemented the Health Declaration Practice Campaign, during which employees set their own health goals and practiced healthy habits to achieve them. The campaign was implemented across the Group, including at our Group companies, to ensure that the declaration is well communicated throughout the organization. The campaign was a great success with the participation of many employees.

Going forward, we will take more aggressive measures to promote employee health to be the world's most rewarding and vibrant company.



▶ Going Forward

Practicing Health and Productivity Management

In response to the Sumitomo Wiring Systems Group Health Declaration, we set three goals in fiscal 2020, as shown at right, as concrete actions.

Ensuring compliance leads to an environment in which employees can work peacefully. By participating in medical examinations offered in accordance with the relevant laws and regulations, employees can monitor their own health and change their lifestyle habits to stay healthy and productive at work.

For employees whose medical examination results revealed any issues, we recommend those in the high-risk group to see a doctor to prevent the issue from becoming more serious and conduct regular consultations with those at risk of developing cardiovascular diseases. This support is intended to reduce the number of employees who fail to take precautions to protect their health and ensure we fulfill our duty to protect the health and safety of employees.

In addition, we will focus on activities to eliminate metabolic syndrome among employees to prevent sudden illnesses caused by unhealthy lifestyles such as an unbalanced diet, lack of exercise, stress, smoking and excessive alcohol consumption. Specifically, for employees at risk of developing lifestyle-related diseases, we will provide post-examination follow-up care and specific health guidance in collaboration with the health insurance

Thorough legal compliance

Increased healthy working life expectancy and a secure workforce

Health promotion

society. We will also create an environment in which employees can receive consultations during work hours and online to support them in staying healthy and productive at work.

Other efforts to promote health include the provision of nutritionally balanced healthy recipes by employee athletes, sharing exercise routines that are easy to practice and a stop smoking race to reduce passive smoking. By creating opportunities to access accurate health information through these activities, we are also working to improve the health literacy of our employees, which is also described in our health declaration. We will continue to implement projects to promote the sharing of information through internal online community sites, live streaming and other content that can be enjoyed in this era of the coronavirus.

These efforts to promote health and productivity management will enable our employees to demonstrate their potential to the fullest, healthy in mind and body, which ultimately boosts productivity, originality and creativity. This approach to growth will contribute to society by providing new technologies and services and fulfilling our role as a supplier.

VOICE Steadily Continuing Efforts and Recognizing that Health is a True Management Issue

The head office started to take action in 2016 by consolidating health promotion initiatives from all regions and sites across the country. Although we started out with somewhat fumbling steps as we continued to establish and implement health promotion systems and measures, we have begun to see results, little by little.

We conduct activities to improve the lifestyle habits of every employee insofar as possible and provide training to promote self-care and employee care overseen by line managers to prevent mental illness. We recognize the limitations to these ongoing activities, given the many things that cannot be improved without changes in self-awareness. However, we believe that steadfastly continuing these efforts to help employees who spend most of the day in the office to develop a healthy living mindset—even a little—ultimately revitalizes the entire company. Recognizing that employee health is a true management issue, we will work to establish a corporate culture that convinces all employees they are working at the world's most rewarding and vibrant company. As a message I want to send to readers: please stay safe and healthy.



Norifumi Shimoda
Executive Officer, General Manager
Human Resources Department

Message from the Executive Officer in Charge of CSR

Contributing to the Sustainable Growth of Society by Meeting Stakeholder Expectations



Takahiro Izutsu
Managing Executive Officer

The SWS Group operates in 31 countries around the world as a single corporate entity with about 230,000 employees from diverse backgrounds. We engage in business operations and promote CSR activities to address social issues based on the Sumitomo Business Spirit, Sumitomo Wiring Systems Group Basic Principles and Sumitomo Wiring Systems Group Charter of Corporate Behavior. These principles share similar intentions for contributing to the social issues described in some SDGs. As the issues surrounding our society constantly change, I believe that it is necessary to pursue CSR activities that address these social demands. It is also important to take into account all shareholder opinions to understand appropriately these social demands.

To adapt to the various environmental changes that have accompanied the expansion of our global businesses in 2020, we revised the SWS Way, our action guidelines that support our business activities. Currently, we are devoting our efforts under the keywords “professional,” “teamwork” and “challenging spirit” to ensure that the universal concept of manufacturing and human resource development cultivated over the years by the SWS Group is instilled into the corporate culture throughout the Group. Recognizing that diverse human resources constitute the world’s most rewarding and vibrant company, all our employees will work together to establish an organization that can realize what we refer to as the Three Ideals. We will also engage in CSR activities while meeting stakeholder expectations.

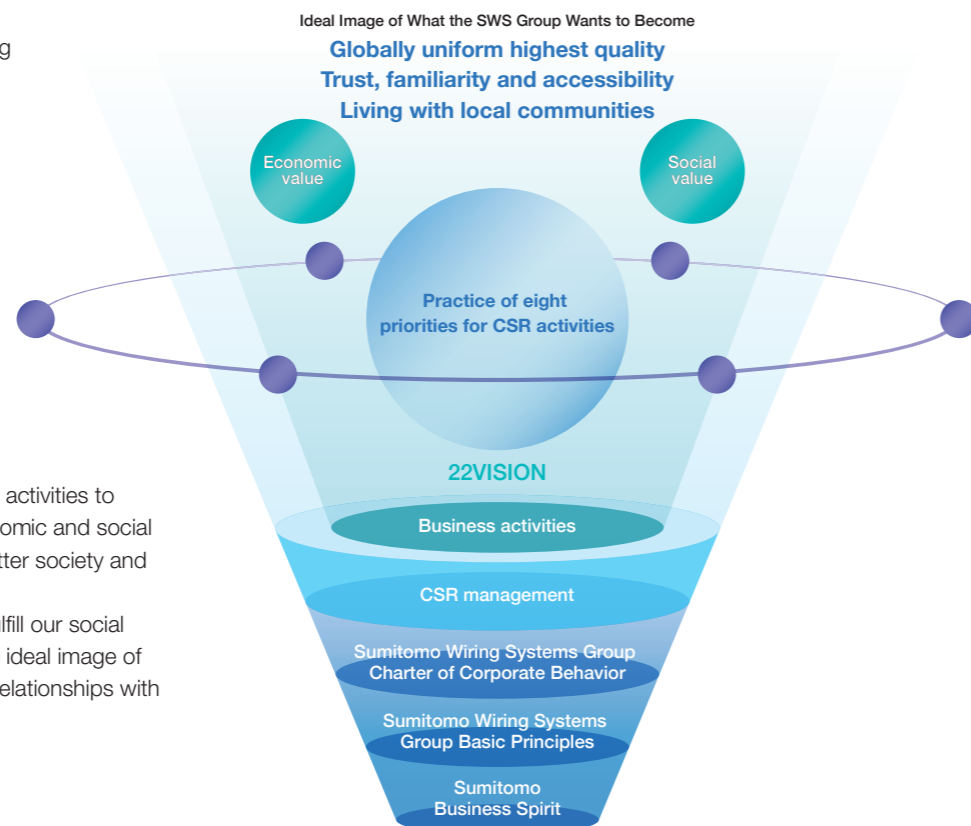
Basic Stance toward CSR Activities

The Sumitomo Business Spirit, which values social credibility and corporate ethics above all, is still strong throughout the SWS Group.

Having established the Sumitomo Business Spirit, Sumitomo Wiring Systems Group Basic Principles and Sumitomo Wiring Systems Group Charter of Corporate Behavior as our business philosophy, we are steadily promoting our CSR priorities under the CSR management of the Group as a whole while engaging with our stakeholders.

We will work through our business activities to address social issues and create economic and social value that contributes to realizing a better society and environment.

Furthermore, we will continue to fulfill our social responsibilities and strive to realize the ideal image of the SWS Group while building sound relationships with our stakeholders.



CSR of Sumitomo Wiring Systems Group

We are committed to our eight priorities for CSR activities, including areas that can serve as centers and foundations for sustainable growth, as well as our roles as better corporate citizens, which will enable the SWS Group to realize its ideal image.

8 Priority Items in the Promotion of CSR Activities

- Strengthening and Promoting the Governance System**
- Strengthening and Promoting the Compliance System**
- Developing, Strengthening and Promoting the Risk Management System**
- Health and Safety**
Commitment to the elimination of industrial accidents
- Quality Control**
Achievement of Globally uniform highest quality
- Global Environmental Conservation**
- Creation of a Vigorous and Lively Workplace**
- Contribution to the Local Communities**

Trust of stakeholders (as a global corporate group)

The Ideal Image of What the SWS Group Wants to Become through CSR Activities

Globally uniform highest quality

Global corporate group that offers Globally uniform highest quality

Trust, familiarity and accessibility

Global corporate group that is trusted by and familiar and accessible to the stakeholders

Living with local communities

Global corporate group that is rooted in and lives with local communities

Stakeholder Engagement

Recognizing suppliers as valued business partners, we promote openness, fairness, and honesty in all our transactions.

- Issues and Requests**
 - Fair and honest transactions
 - Respect for human rights
- Communication Channels**
 - Procurement activities
 - Supplier surveys
 - Global Suppliers Meeting

We deliver products and services centered on our core business of automotive wiring harnesses to customers around the world.

- Issues and Requests**
 - Providing safe, high-quality products and services
 - Improving customer satisfaction
 - Providing accurate, timely product information
- Communication Channels**
 - Communication through sales activities
 - Company websites
 - Exhibitions

We conduct business under the jurisdiction of each nation's administrative agencies, which are also customers for our products and services.

- Issues and Requests**
 - Complying with laws, regulations, administrative guidance, etc.
 - Paying taxes
- Communication Channels**
 - Communication through industry organizations
 - Filing various notifications, responding to surveys/questionnaires

We strive to provide a positive and vigorous working environment characterized by mutual respect.

- Issues and Requests**
 - Providing a workplace where human rights are respected
 - Utilizing diverse human resources
 - Creating a workplace culture that facilitates the balancing of work and family life
 - Building capacity in alignment with career goals
- Communication Channels**
 - Corporate intranet
 - Group newsletters
 - Town meetings

We conduct business to create an affluent society with full consideration for environmental preservation.

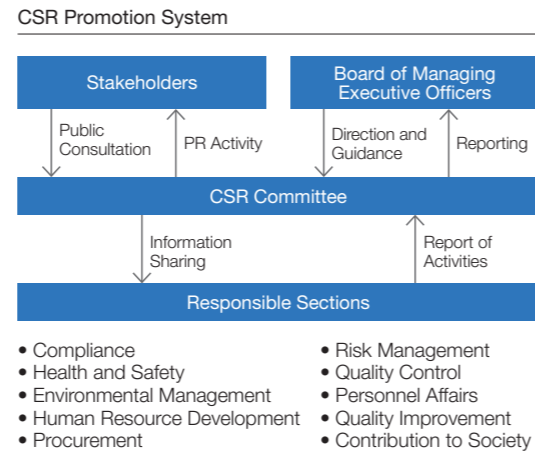
- Issues and Requests**
 - Reducing the volume of greenhouse gas emissions
 - Promoting energy saving and recycling
 - Reducing the volume of waste
- Communication Channels**
 - Compliance with environmental regulations by the government, local public entities, and other organizations
 - Environmental conservation activities based on the PDCA cycle

The Group contributes to local community development as a good corporate citizen doing business in various countries.

- Issues and Requests**
 - Respecting different cultures and customs, contributing to local community development
 - Preventing accidents and disasters, paying due consideration to the environment
- Communication Channels**
 - Community development activities by employees (both domestic and international)
 - Plant tours, events
 - Regional development, inheritance of traditional arts

CSR Promotion Structure

We are moving ahead with group-wide activities led by the CSR Committee, established in May 2010 and chaired by the director in charge of general affairs. Functions of the committee include reporting on and reviewing Group activities and providing support and guidance for future development. It also conducts public relations activities and public consultations and reflects related needs and information in action plans.



Initiatives for the SDGs

The Sustainable Development Goals (SDGs) are a set of 17 goals and 169 targets to be achieved worldwide by 2030. Incorporated into the 2030 Agenda adopted at the United Nations Sustainable Development Summit in September 2015, the SDGs require that government and nongovernment sectors (companies and individuals) in all UN member states make collaborative efforts toward achieving them from 2016 to 2030. The SWS Group will contribute to achieving them as we endeavor to address social issues through our business activities.

Sustainable Development Goals website
<https://www.un.org/sustainabledevelopment/>



Highlights of Activities

2019

June

Opening the Second Office of SWS Smile Corporation

We opened the Yokkaichi Office as the second office of our special subsidiary SWS Smile Corporation within the Yokkaichi Storing & Shipping Center of Sumitomo Wiring Systems. The office has nine employees including two support staff, who are mainly engaged in sorting molded products and dismantling electronic parts. We will continue to work on establishing a safe and secure workplace in which employees can fully demonstrate their unique character and individuality and expand the scope of their work to contribute to the business of the SWS Group.



October

Received the Mie Labor Bureau Director's Encouragement Award

The award was given to SWS West Japan, Ltd. in recognition of the company's zero industrial accident record for 11 consecutive years since 2008 and active promotion of safety campaigns based on the Occupational Health and Safety Management System (OSHMS).



November

Donated Three Million Yen to Support the Reconstruction of Areas Affected by Typhoon No. 19

We donated three million yen to the Japanese Red Cross Society to help the people and areas affected by Typhoon No. 19, which inflicted significant damage across the nation on October 12 and 13.

2020

January

Opened the Career Consultation Desk

To become the world's most rewarding and vibrant company, we opened the Career Consultation Desk to support employee career development. The desk is available for consultations to supervisors as well as employees seeking career advice.

Received the "Best Practice Award" from the Governor of Mie Prefecture for "Companies Promoting Work Style Reform in Mie Prefecture"



Our initiatives, such as setting intervals between shifts and creating a vibrant workplace, were highly appraised, and we received the "Best Practice Award" as a company that could serve as a role model.

Obtained the "Certification for Companies Employing Persons with Disabilities"

The SWS Smile Corporate obtained certification as a company that employs persons with disabilities and implements excellent efforts, such as an employment management and employment system review that considers the nature of disabilities.



April

Established the Sumitomo Wiring Systems Group Health Declaration

We established the health declaration to strengthen our initiatives for supporting the maintenance and improvement of employee health and improving productivity.

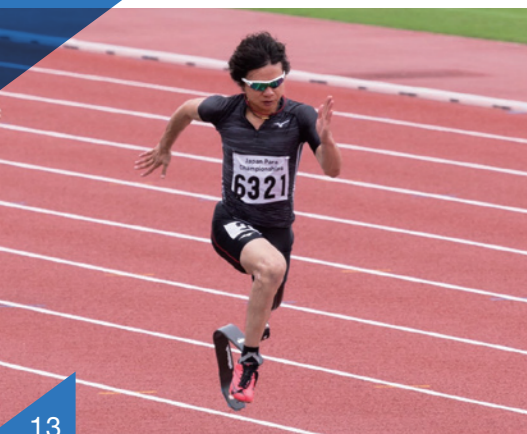
Employed the First Para Athlete for Sumitomo Wiring Systems

We employed Mr. Katsuaki Inagaki, who is expected to demonstrate great performance in the World Para Athletics Championships. Sumitomo Wiring Systems now has 11 employee athletes.

VOICE

Demonstrating Hard Work toward My Dream to Create an Opportunity to Change the World for the Better

Expected SDGs



Katsuaki Inagaki

Mr. Inagaki was born in 1992 in Mie Prefecture and joined the Group in April 2020 as a member of the Safety and Welfare Group at the Suzuka Plant. In 2014, he had his leg amputated due to an accident during work. During his stay at the hospital, he learned about the Para Athletics and started competing in 2018. At the Kanto Para Athletics Championships in 2019, he finished fourth in the 100 meters final and second in the long jump. Looking ahead, he is planning to participate in major international games.

In the midst of experiencing deep despair after my left leg had been amputated due to an accident at work, I learned about the Para Athletics when I visited the hospital to have a prosthesis made for daily use. As I was watching para athletes racing across the ground in their wheelchairs and prosthetic legs, I heard the doctor say, "You will be able to run again." Upon hearing those words, my heart raced with excitement to find out how much I would be able to do.

As fate would have it, I was able to join Sumitomo Wiring Systems at its head office in Mie Prefecture, where I was from. At work, I am responsible for preparing application forms for government agencies and system management for chemical substances. I enjoy communicating with my colleagues and appreciate the comfortable work environment. Having the members of the women's rugby team Pearls as my coworkers allows me to share information with them as athletes and fires up my motivation.

We live in a society shaped by laws and regulations that support people with disabilities, so in terms of physical access, I don't really experience daily inconveniences. On a personal level, however, I feel that people still don't know much about disabilities and prosthetic legs, despite how broadly universal design has been disseminated.

As an athlete, participating in the world's most prestigious competition and achieving great results is a major goal. I would like to show the world how hard I work and try to reach my goal despite my disability, and I hope that will help people, whether they are disabled or not, to feel more positive about their lives. I also hope that my aspirations can lead to the improved awareness and acceptance of people toward disabilities and motivate them to take action for change. In return, this will be my contribution to achieving the SDGs as an employee of the SWS Group.



Customers

Under the global production system across 31 countries, we will challenge for improvement of quality control activities across the company to realize globally uniform highest quality.

Relevant SDGs



GLOBAL MESSAGE



Efforts to Achieve Zero Complaints Related to Manufacturing Issues

Accompanied by the uninterrupted launch of new products, our sales increased nearly six-fold in five years. Due to rapid business growth, we could not maintain our quality control and resulted in a decline in quality performance.

Reflecting on this experience, we earnestly strengthened our manufacturing site improvement and analysis capabilities. We have been ensuring the "3 Point Control" in the meetings before the start of the work, and began Quality Problem Solving (QPS) activities to reduce defects through the concerted efforts of all departments.

We also accelerated identification of the defect causes and established rules for handling each defect. Thanks to these efforts, we were able to achieve zero complaints related to manufacturing issues in fiscal 2019.

We will further improve our own capabilities to become the world's best plant in terms of safety, quality and cost.

| Thailand |

Choosak Sopon Section Manager, Electronic Department SEWS-COMPONENTS (Thailand) Ltd. (SEWS-CT)

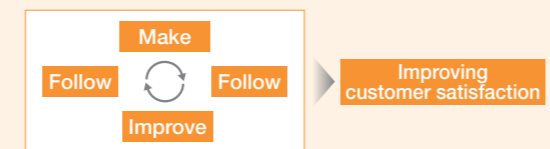
Quality Control

Quality Policies

22VISION Make our quality No.1 in the world and obtain customers' best evaluation

- 1 Strengthening manufacturing power by own process assurance activity
- 2 Pursuing best quality in the world by establishing mechanism
- 3 Improving manufacturing sites' strength with ability of forestalling control and recognition

Action Guideline: Make – Follow – Improve – Follow/ the rules



Pursuit of Customer Satisfaction

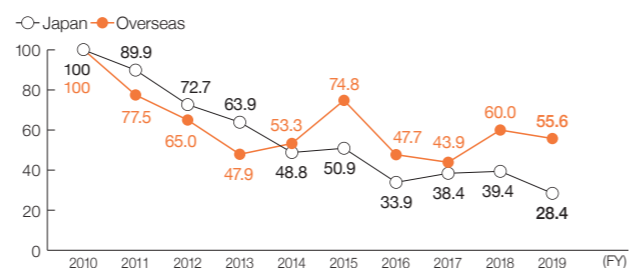
The SWS Group strives to reduce quality defects to improve customer satisfaction. In fiscal 2019, our quality performance for Japanese customers attained the best result ever. On the other hand, our quality performance for international customers remained at the same level in the wake of launching new models and transferring production sites.

Under these circumstances, we are working to incorporate measures to prevent recurring defects and reviewing verification items to strengthen forestalling control for changes, mainly for international customers.

We have also strengthened our management system by setting up quality meetings for each region and customer and clarifying who is in charge to ensure that there are no delays or deficiencies in production preparation for new products.

We will continue to thoroughly prevent the recurrence of defects and spread good practices toward achieving zero complaints.

Number of Complaints (Indexing the Base Year of Fiscal 2010 as 100)



Deepening the Own Process Assurance Activity

The SWS Group promotes the Own Process Assurance Activity as the foundation of achieving zero quality defects. The design division creates drawings without any elements that might lead to a quality defect (ACT1), the production engineering division makes equipment and processes, which do not allow defects to proceed to the next process, and the

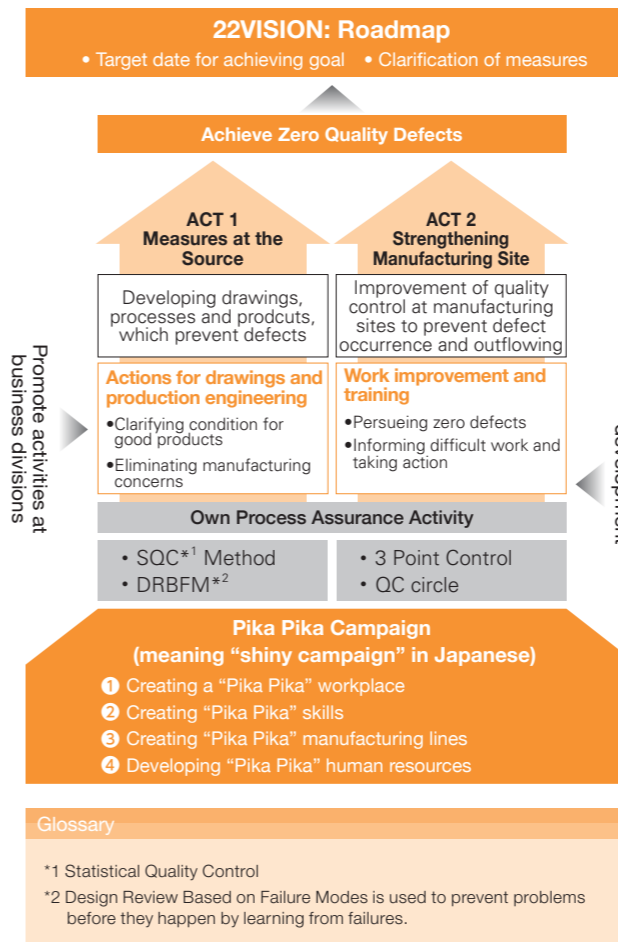
manufacturing division develops and operates systems that prevent defects regardless of any change point (ACT2).

To prevent defects, we thoroughly implement 3 Point Control: (1) change point control, (2) abnormality control, (3) work compliance control at manufacturing sites, and visualize them.

As to work procedure and work compliance, we monitor each employee and seek to identify the cause of any non-compliance and improve our standards, jigs and tools, and design.

We will continue to strive for zero quality defects by thoroughly pursuing ACT1, ACT2, and 3 Point Control.

Priority Actions Related to Quality Improvement



Human Resource Development

Most of our wire harnesses, which are our core products, are manufactured overseas. To realize "globally uniform highest quality" as a company quality department under these circumstances, we conduct practical on-site training for quality improvement at overseas manufacturing sites.

Specifically, we provide quality improvement training to the leaders of the local manufacturing and quality assurance divisions to eliminate any recurring in-process defects. At first, we conduct quality improvement training focusing on analyzing factors with actual products at the actual site.

After completing the training program, we aim to achieve quality targets and quality improvement through developing

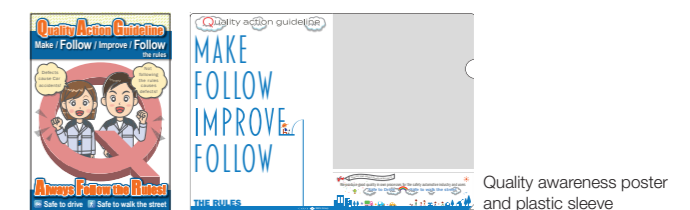
improvement methods at each site by following up voluntary improvement activities in which leaders take on roles of trainers.

We started providing training programs mainly in Europe at first and then expanded them to the Americas. In fiscal 2019, we trained 29 employees in four countries (Mexico, China, Vietnam and Japan), thereby establishing the foundations for quality improvement and the spread of quality improvement activities at each location. We will strive to further disseminate the training to ASEAN countries as well.

Activities for Improving Quality Awareness

Compared to Japan, overseas plants have been more affected by high employee turnover, which creates a challenge to maintaining stable quality. Consequently, the SWS Group actively promotes activities for improving quality awareness to realize globally uniform best quality.

In fiscal 2019, we created banners and plastic sleeves printed with company-wide quality slogans as well as posters and illustrations calling for observance of operation rules. We translated them into different languages and distributed them to our plants around the world.



In addition, the SWS Group has set November of each year as quality month, and we have a quality forum during this period. The forum features a quality improvement presentation by representative departments and quality panel exhibition to share information and raise awareness of quality. In fiscal 2019, 774 people participated in the forum.



At the quality forum in fiscal 2019

Evaluation from Customers

Over the years we have consistently sought to provide high-quality products that earn customer trust.

This has resulted in the high regard of our customers around the world, and we received 34 awards in 8 countries in fiscal 2019. We will remain committed to delivering products that consistently meet the trust of customers.

Pika Pika Campaign for Achieving Globally Uniform Highest Quality

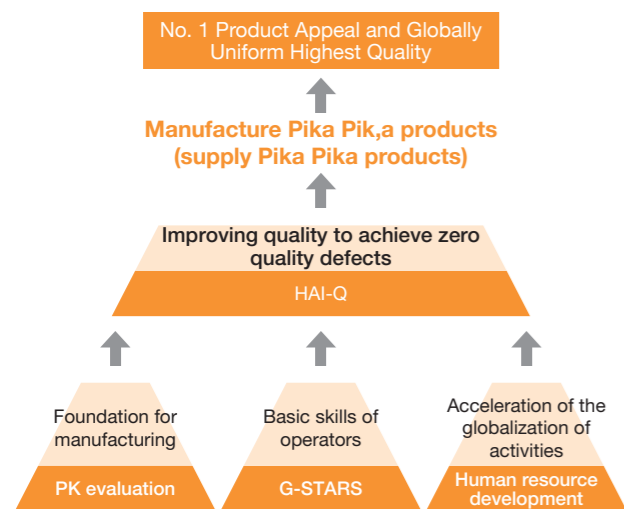
To achieve Globally uniform highest quality with the highest product appeal, we promote our Pika Pika Campaign, which is fairly self-explanatory for our employees. The campaign represents our basic manufacturing principle, developed based on the idea that creating a Pika Pika (shiny) mind, actions, skills, equipment, and worksites leads to Pika Pika products. The campaign is composed of four elements: PK evaluation in which PK evaluators from the headquarters review and evaluate each manufacturing process; G-STARS^{*1}, which is a standardized set of basic skills required by all employees as well as special skills needed for each work process; human resource development; and HAI-Q^{*2} activities for quality improvement, leveraged by the other three elements, to achieve zero defects.

The PK evaluation is intended to accelerate improvements at each plant by clarifying weak points based on about 1,600 evaluation items in safety, quality, and productivity. The evaluation is currently conducted in 19 countries. As for G-STARS, we encourage employees to acquire the skills not only for personal improvement but also to encourage them to participate in the annual Skills Competition to increase employee motivation as a means of further developing their skills, and outstanding operators from around the world gather to compete in their respective areas of expertise.

As part of our human resource development efforts, we are working to develop master trainers who train the leaders of each plant in line with the characteristics of each country. Since fiscal 2017, we have been conducting supervisor training for site managers to strengthen training at overseas plants. We expect to see an improvement in onsite productivity based on clarifying the roles and responsibilities of site managers.

Through these efforts, we promote the Pika Pika Campaign every day to ensure that employees are always working to their full potential.

Basic Concept of the Pika Pika Campaign



Glossary

- *1 Global Skill Training and Recognition System
- *2 Harness Innovation Quality

Using Training Experiences to Bridge Employees and Management

I am in charge of training a wide range of employees, from plant workers to supervisors (SVs) working in plants that account for about 40% of our production.

In the SV training, I learned prompt, reliable ways to communicate information, teaching skills and methods to improve teamwork. The SVs serve as a bridge between staff members and their supervisors to realize globally uniform highest quality through the concerted efforts of the entire company. I will apply what I learned in the training for human resource development at every level, which will lead to reducing the turnover rate. At the same time, I will contribute to building a strong organization that can handle irregular fluctuations in production.



Guen Chi Phon Roan
Manufacturing Department
SUMI-HANEL Wiring Systems Co., Ltd. (SHWS)

VOICE

Research and Development

Basic Stance

As the automobile industry is in a period of great change, we conduct research and development from a global perspective by focusing on proposal-based development that looks ahead to what is needed across the globe in order to meet the diverse needs of societies worldwide and create the corresponding product or service. To adapt to the dissemination of connected cars linked to information and communication networks, the evolution of autonomous cars, lifestyle changes related to cars and the expansion of electrification, we will continue to develop technologies and products to connect and be connected while also leading the way into the new era of mobility.

Research and Development Structure

We work as a team to provide new technologies and products seamlessly for our customers through the integrated efforts of Sumitomo Wiring Systems, in charge of development, design and manufacturing, AutoNetworks Technologies, in charge of research and development, and Sumitomo Electric Industries, in charge of business planning and sales. In addition, we are working closely with the research department of Sumitomo Electric Industries to promote comprehensive development from materials to parts, modules, electronic equipment and network architecture.

We will enhance our strengths in development and proposals by ensuring that our developers accurately understand customer issues and needs and promptly address them through open innovation, collaboration with academic institutions as well as joint research with parts manufacturers.

In addition to the human resources training of Sumitomo Wiring Systems, we are focused on developing engineers through the original programs of Sumitomo Electric Industries and AutoNetworks Technologies. And we will continue our efforts to develop our workforce.



Suppliers

Under our procurement policy, we closely collaborate with suppliers on the global stage by emphasizing openness, fairness, and equitability.

Relevant SDGs



VOICE



Strengthening the Quality Control System for Meeting Demands in a Post-coronavirus World

We specialize in metal stamping and plastic molding and supply assembly parts for various standard cases and busbars.

We were deeply honored to receive the prestigious Cost Savings Award. We believe that it recognizes our efforts to improve the productivity of our production lines by meeting demand for high volume, quick delivery and vertical startup. We would like to express our gratitude once again for the ongoing guidance of Sumitomo Wiring Systems over the years.

The world is in crisis due to the COVID-19 pandemic. However, as in our triumphs over numerous infectious diseases in the past, humankind will surely be able to overcome the pandemic and create new value. Looking ahead to a post-coronavirus world, we will strengthen our quality control system so that we can further meet the demands of our customers.

| Japan |

Kiyoshi Takemura President, Sanko Corporation

Procurement Policy

Our procurement activities reflect our commitment “Connect with the Best” and are conducted under the following policies.

- 1 Provide open and fair opportunities
- 2 Adhere to basic principles of mutual understanding, mutual reliance, and mutual enlightenment
- 3 Establish global partnerships
- 4 Ensure legal compliance
- 5 Promote green procurement

CSR Procurement

Along with our purchase agreement, revised in April 2020, which includes clauses on CSR procurement and the exclusion of antisocial forces, we have distributed our CSR Guidelines for Suppliers, which clearly state our expectations and requests to our main suppliers. The guidelines also request that they promote CSR-related initiatives based on the viewpoint of SE+QCDD^{*1}. In fiscal 2019, we conducted our first CSR procurement survey with 118 major suppliers in Japan and received completed surveys from 101 of them. With the survey responses, we visited their sites to further investigate suppliers considered to pose a procurement risk, and we confirmed that there were no problems. We will conduct periodic surveys in Japan, expand the surveys overseas and provide suppliers with the necessary guidance and audits based on the results.

^{*1} CSR Guidelines for Suppliers of the Sumitomo Wiring Systems https://www.sws.co.jp/resource/pdf/guideline_en.pdf

Efforts to Strengthen Compliance with the Subcontract Act

We have implemented initiatives to strengthen and promote appropriate transactions with our subcontractors in line with the revised Subcontract Act Operation Standards and revised promotion standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, which details rules concerning transactions between subcontracting companies and subcontractors governing price determination, cost bearing, and payment conditions.

Communication with Suppliers

Sumitomo Wiring Systems convenes the annual Global Suppliers Meeting to promote mutual trust with suppliers. There we provide an overview of our business environment of our harness business, share our procurement policy and key measures, and request the active commitment and initiative of our suppliers to make sure everyone is on the same page. We have also been making similar efforts overseas since fiscal 2018. The meeting includes an award ceremony recognizing outstanding suppliers based on a comprehensive evaluation conducted from standpoints including quality, cost, and delivery (QCD). Nine companies were recognized as outstanding suppliers for fiscal 2019.

Glossary

*1 Safety, environment + quality, cost, delivery, development



Employees

We intend to become a robust global company by creating dynamic workplaces in which all employees can demonstrate mutual respect for human rights.

Relevant SDGs



GLOBAL MESSAGE



Contributing to the Further Growth of Vietnam

I was stationed in Vietnam in 2016, and since 2019 I have been in charge of human resources and general affairs in the country, mainly managing the human resources operations of six SWS Group companies. My wide ranging tasks include improving and reforming the personnel evaluation, promotion and training systems.

Managing the human resources operations of these companies can sometimes be difficult because of their differing histories and backgrounds. Even in such a challenging environment, however, all relevant staff can work together as a team and share ideas and knowledge for better management, which I think is one of the advantages of the SWS Group.

I will continue my efforts to enhance the human resource development systems for over 30,000 employees of the six SWS Group companies in Vietnam, which will lead to improved business performance and contributing to the further growth of Vietnam.

| Vietnam |
Kenichi Furutani | Manager, Human Resources and General Affairs Department SEAPS VIETNAM Co., Ltd. (SEAPS-V)

Human Resources

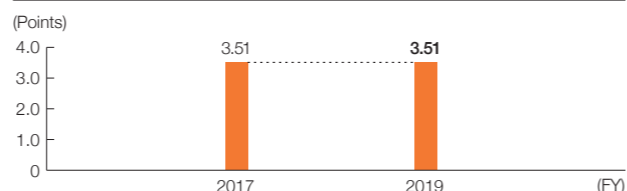
Workplace Environment Policy

The Sumitomo Wiring Systems' Group Charter of Corporate Behavior calls for respect for human rights and prohibits discrimination. A variety of training programs are provided to deepen employee awareness of and commitment to human rights. We conduct business and establish working environments with due respect for human rights and free of any discrimination based on race, nationality, ideology, sexual orientation, gender identity, age, social status, or disability.

Employee Survey

The SWS Group regularly conducts an employee survey to revitalize the workplace environment and improve employee satisfaction. The survey consists of questions based on vision or value, employee motivation and workplace analysis. The results of the 2019 survey showed relatively good overall scores except for some items, such as job satisfaction and work style, which could be improved. Going forward, we will ensure that our workplaces are vibrant and satisfying by formulating and implementing measures based on the issues revealed by the survey and also the results of stress checks.

Employee Survey Results (Five-point Scale)

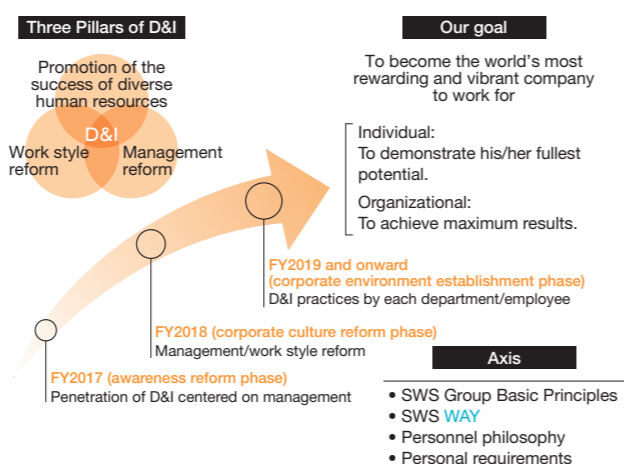


Declaration on Diversity & Inclusion (D&I)

In May 2017, the SWS Group announced its declaration on D&I, which consists of three pillars: management reform, work style reform, and promotion of the success of diverse human resources. Along with this declaration, we also formulated a three-year D&I promotion plan.

In fiscal 2019, the final year of the plan identified as the

Overview of the D&I Promotion Plan



corporate environment establishment phase, we worked to raise employee awareness through training and other measures to ensure that each department and employee implements D&I practices.

We will work to become the world's most rewarding and vibrant company that naturally attracts people with different values and views, helps them to grow and enables them to demonstrate their fullest potential.

Management Reform

Introduction of Team Management Improvement Training

For the purpose of strengthening organizational strength and improving efficiency, we have partially introduced team management improvement training in which supervisors and employees work together to figure out how to proceed with tasks with help from external consultants. Going forward, we will expand the application of the training to other departments to develop human resources capable of achieving higher goals.

Expansion of the Application of 360-degree Feedback

In fiscal 2018, we provided 360-degree feedback to about 200 managers, and in fiscal 2019 we expanded the application of the feedback to about 500 group leaders. This system helps employees recognize the gap between how they are evaluated and how they see themselves as well as their personal strengths and weaknesses based on multifaceted feedback obtained from supervisors, colleagues and subordinates, allowing them to take the initiative in their career development.

Iku-boss Training

As part of our management reforms in fiscal 2019, we conducted "Iku-boss training" for managers and "Aim for Iku-boss training" for managerial candidates, such as chiefs and team leaders. A total of 33 people received the training and gained the knowledge and mindset for becoming an Iku-boss. To raise Iku-boss awareness, we also prepared and distributed seven tips that summarize the necessary attitudes and behaviors for an Iku-boss of the SWS Group.

We will continue to implement initiatives to enable diverse human resources to play active roles as well as post-training follow-up activities to more deeply instill Iku-boss-style management.

SWS Iku-boss management guidebook



Promoting the Success of Diverse Human Resources

We actively support employees who maintain a work-life balance and achieve results in the pursuit of productivity. Also, we train supervisors who equally value their work-life balance and achieve results at an organizational level while supporting their respective employees.

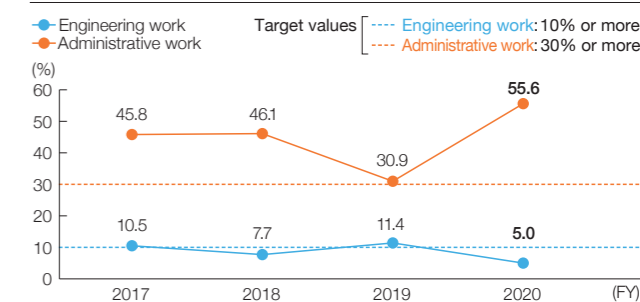
Active Participation of Women in the Workforce

Identifying the development of an environment in which employees with various backgrounds can demonstrate their abilities and actively contribute is a key management strategy. In this context, Sumitomo Wiring Systems is engaged in various initiatives to support the active participation of female employees.

We provide career development training for female employees who had not yet attained managerial positions and "SWS-WE!" for female career-track employees with three to four years of service, which helps them to more quickly become aware of the career options available to them and establish a network of female employees. In addition, we conducted WINK Forums in fiscal 2019 for all female employees in career-track positions and engineering departments.

As of April 1, 2020, the number of female managers reached 31, or 2.1% of all managerial positions (an increase of 4 people, or 0.3 percentage point from the previous year). Twenty-seven women were hired as career track employees for administrative work and seven for engineering. We will steadily carry out our action plan to promote the advancement of women in the workplace.

Ratio of Hiring New Female Graduates for Career-track Positions



*Calculated as of April 1 of each year

VOICE

To Create an Organization Where Employees Support Each Other in Times of Need

With the company's active efforts to promote D&I and work-life balance (WLB), many employees, both men and women, have recently been taking childcare leave. At the Tsu Plant where I work as well, many male employees are taking childcare leave every year. I also took childcare leave for a week when my first child was born. I was somewhat concerned that my absence might negatively impact my work, but thanks to the understanding and strong support of those around me, I was able to take the leave with no worries. This experience made me realize how important it is to support each other in times of need.

Looking ahead, more employees are expected to be taking nursing care leave, which makes our understanding on D&I and WLB even more important. As a manager, I will strive to create an organization where we support and help each other face challenges.

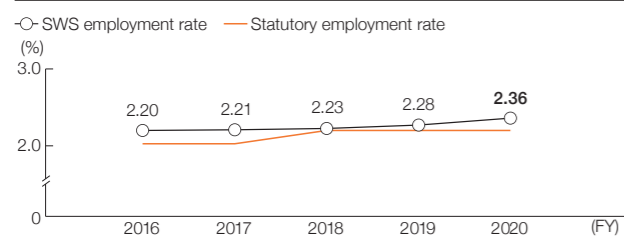


Takahide Sugimoto
 Group Leader, General Affairs and Human Resources Group
 Management Headquarters, Tsu Plant

Employment of Physically or Mentally Challenged Persons

We established our special subsidiary, SWS Smile, in May 2013 to promote the employment of physically or mentally challenged persons and enhance our support system to correspond with individual abilities. As of June 2020, SWS Smile has employed 54 physically or mentally challenged workers and 21 support staff. At first these employees were mainly engaged in recycling work such as sorting and dismantling wire harness parts, but they are now broadening their work options by continuously challenging themselves to engage in new tasks, such as maintaining the grass and vegetation around the company and shredding documents. We will continue to create more opportunities in which physically or mentally challenged employees can actively participate, throughout the SWS Group and beyond SWS Smile. Although our employment rate of 2.36% meets the statutory employment rate, we will continue with our active promotion of the employment of physically or mentally challenged persons.

Employment of Physically or Mentally Challenged Persons



*Calculated as of June of each year

Global Relocation Program

We introduced the Global Relocation Program as an upgraded version of the conventional overseas dispatching system to strengthen the development of global human resources and promote the localization and diversity of our operations both in and outside of Japan. As of fiscal 2019, 37 employees have used the program, and 41 employees have used the program in April 2020. Some of the benefits we expect from it include the establishment of a corporate culture/system that encourages the active participation of diverse human resources, the reduction of domestic hiring and slowing the increase of expatriate employees. Similar benefits expected for local companies overseas include the development of management personnel, the improved technical skills of local employees, an increased retention rate and a greater sense of loyalty among proven, long-standing employees. We will strive to be a company that supports active participation of diverse employees by further facilitating employee exchange arrangements with local companies.

Creating Diverse Employment Opportunities

We are creating diverse employment styles and opportunities to allow each employee to explore their capabilities to the fullest, such as re-hiring retired employees and those who have left the company due to unavoidable reasons and promoting parttime workers to full-time employment.

Re-hiring Retired Employees

We have established a senior staff system for those who remain highly motivated to continue working even after their retirement to demonstrate, and pass on the expertise and skills they have cultivated over the years. In fiscal 2019, we rehired 97 of 99 retirees. We have also modified the wage system, and will be conducting

personnel reviews for these staff members to stay motivated and play active roles in their workplaces.

Job Return System

This is a system for re-hiring those who have left the company due to unavoidable reasons, such as childbirth, parenting and nursing care. Those who wish to be rehired within three years of leaving the company can return to work with the same job positions after having an interview. In fiscal 2019, one person used the system.

Promotion to Full-time and Career-track Positions

We have established a system to promote part-time workers who have achieved a given level of success to full-time positions. In fiscal 2019, we offered full-time employment to 77 people, compared to 43 people in fiscal 2018. We also accept requests from those who wish to move from general office jobs to career-track positions; four employees have chosen to do so.

Work Style Reform

We will cultivate an environment in which all our employees can continuously pursue their careers, develop skills, expand opportunities for success and maintain and improve their workplace motivation. To do that, we will develop and implement work systems and personnel policies that respect diverse work styles and encourage each employee to fully exert their strengths.

In response to the spread of COVID-19, we allowed employees who are at a high risk of infection because of a long commute or physical weakness to work from home to prevent the spread. We will continue to make the necessary considerations to expand the application of the telecommuting system for employees as a new work style option.

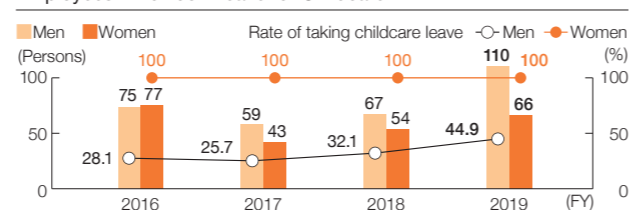
Work-Life Balance

We support employees in balancing their work and family life through a variety of efforts, such as expanding our childcare and nursing care systems and introducing a system that makes it easier for both male and female employees to participate in child rearing. As a result, in May 2016 we acquired the Platinum Kurumin Mark, the next-generation accreditation mark certified by Japan's Ministry of Health, Labour and Welfare.

As of March 31, 2019, our onsite day care center, SWS Connect Kids, that we opened at the Yokkaichi and Suzuka Plants for employees whose working hours have been restricted due to child rearing had 41 regular users (22 Yokkaichi Plant employees and 19 Suzuka Plant employees) as well as 176 occasional users.

In fiscal 2019, the average number of paid leaves taken was 15.4 days and the annual total number of working hours per employee was 2,001.18. We will continue to implement measures that support the success of each and every individual, fully respecting the diversity of the lifestyle choices of our employees.

Employees Who Took Leave for Childcare



Platinum Kurumin Mark

Employees Who Took Leave for Nursing Care

	FY2016	FY2017	FY2018	FY2019
Number of employees	22	29	19	7

*Number of employees includes employees using accumulated days off.

Policy for Cultivating Human Resources

Our personnel division is devoted to implementing educational activities rooted in the "Three aspects of personnel development (mind, skills and substance)" in order to develop human resources that reflect our philosophy and policy. At the same time, the SWS Group directs its combined efforts toward quickly cultivating global human resources that can adapt to the globalization of our business. In addition to developing globally competitive employees, we will continue to foster human resources by providing both company and department-wide training to build employee capacity.

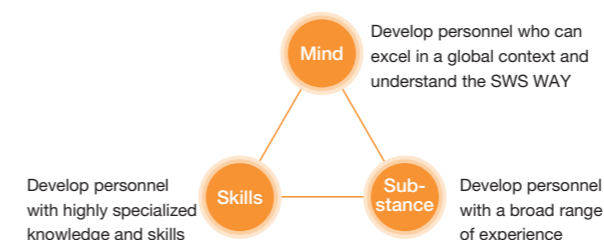
Personnel Philosophy

We will create a corporate culture that provides a positive working environment for every employee, is driven by our belief in their individual potential, and is in accord with their eagerness to take on challenges.

Personnel Policy

1. We respect individual initiative.
2. Our approach is based on performance.
3. We develop diverse human resources.

Cultivating Human Resources Based on the Three Aspects of Personnel Development (Mind, Skills and Substance)



Capacity Building Programs

SWS Group capacity building programs are grounded in our belief in the potential of each employee, and through them we acknowledge the spirit of challenge that employees possess while encouraging capability building aligned with career goals. We therefore set short-term goals every year for capacity building that are within the framework of the annual goal management and personnel evaluation systems.

In January 2020, we launched the career consultation desk after inviting qualified external parties to offer career counseling for those who seek consultation, including career-track employees with three years of service and mid-career employees. We also conducted e-learning on business etiquette for new employees.

In addition, we revised the contents of the SWS WAY, a set of action guidelines for the SWS Group, after forming a project team

to increase global understanding. While making further efforts to educate employees on our corporate philosophy and the SWS WAY, we will also continue to support the career development of our employees by providing position-based training toward ensuring that they understand expected roles and actions. This also helps them to set capacity building and career targets, which are incorporated in the action plans developed through discussions with their supervisors and then implemented.

Past Training Programs

Type	FY2017	FY2018	FY2019	
Number of training sessions	Nomination-based	10	8	8
	Position and rank-based	33	28	26
	Recommended elective-based	26	29	53
	Optional	21	26	27
	Web-based	39	42	38
Total	129	133	152	
Number of attendees	Managerial positions	1,415	1,194	1,153
	Career-track positions	3,321	3,353	3,462
	General office work positions	1,824	1,892	2,263
	Total	6,560	6,439	6,878

*Figures exclude new employee training for career-track positions, training at overseas plants, and onsite improvement practice training.

Development of Global Human Resources

We are developing global human resources by enhancing our global training programs in areas such as cross-cultural management and international operations, and conducting training for core personnel at our overseas Group companies.

Global Leadership Development Program (GLP)

The GLP is held once a year to develop future executive and managers. Participants learn what they need to know in the area of leadership during the five-day training session, which is held in Japan. In fiscal 2019, 23 people participated from 11 countries.

Overseas Managers Training

To develop future executive candidates and promote mutual networking between companies, we offer training for managers in four regions worldwide. In fiscal 2019, we also conducted training for managers in the Philippines. In fiscal 2019, 79 managers participated from 10 countries.

New Employee Training at Overseas Plants

The SWS Group (in Japan) provides practical training for all new career-track employees at overseas plants where wire harnesses are mass produced.

In fiscal 2019, the 23rd year of the training, 158 employees who had then joined the company were dispatched for training to five plants in Vietnam, the Philippines, and China.

Overseas Trainee System

Young employees selected to work overseas are trained for a certain period from 6 months to 1 year. A total of 469 employees (as of March 31, 2020) worked under this system and are now applying the experience they gained to their career development.

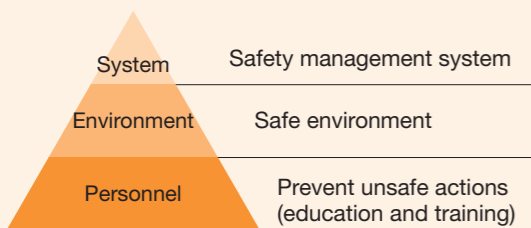
Health and Safety

Philosophy and Policy

With "Safety is our top priority" as the foundation of our business, the SWS Group strives to secure the health and safety of its workers with a spirit of respect and rigor that affords no opportunity for industrial accidents. We will strive to achieve zero accidents by following our Safety Activity Policy, shown below.

Safety Activity Policy

22VISION: Foster a safety culture ▶ Achieve zero risks and accidents



Strengthening the Global Safety Management System

To strengthen the safety management system at the global level, we divided the world into eight regions to reinforce regional collaboration. In fiscal 2019, the Safety & Environment Division and Safety Managing Company conducted audits, training and onsite guidance for 58 companies in ASEAN countries, China, Europe and the U.S. And we will continue to provide onsite guidance.

In addition to these offerings, each company conducts self-audits twice a year, and if any issues are discovered, we dispatch staff from the Safety & Environment Division of the head office and safety inspectors to inspect and correct them. Safety inspectors have been qualified by the Safety & Environment Division, and we currently have 29 of these individuals. In fiscal 2019, we conducted 52 safety inspections.



During the safety inspection

Focusing on Raising Global Awareness

Most of the industrial accidents that have occurred in the SWS Group happened during non-core tasks such as transport, maintenance, and cleaning as well as due to human error such as tripping or falling while walking. We conduct a number of awareness-raising campaigns as a countermeasure to the recent increase in injuries caused by tripping or falling while walking or engaging in unsafe behavior.

In fiscal 2019, we implemented the "Switch/Power OFF Activity" to ensure that safety precautions are thoroughly taken during maintenance work; the "3S+3D (sorting, setting-in order, and shining + designate position, designate materials, and

designate quantity) is a safety activity aimed at ensuring that all our employees worldwide are complying with the Groupwide safety rules; the "3 Rules" to address the decline in safety awareness and lack of training. We have established these as global standards and apply them as our basic concept for safety training at new sites and new employee training. We also conducted the "Safety Monitoring" campaign at overseas sites to encourage onsite workers to warn and inform each other of any unsafe situation or behavior.

In addition, we have completed company-wide training through the Be-Safe Project for 361 employees in 70 companies. The project was launched in fiscal 2019 to address the occurrence of major accidents and near-miss incidents involving equipment. In March 2020, we established the new Equipment Safety Promotion Office, which is specialized in the project to promote further efforts in collaboration with the Equipment Department. In fiscal 2020, we intend to eliminate equipment-related major accidents, such as those involving the collapse of parts of building structures or electrical shock, by not only expanding the range of safety projects but also rolling out good examples of safety management practice throughout the company, systematically conducting equipment and building safety training for the relevant personnel and rebuilding the safety system for all equipment and buildings, both old and new.

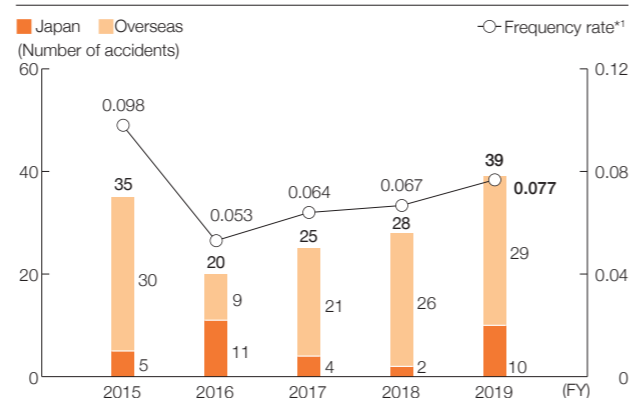


Pocket cards of the 3S+3D and 3 Rules in various languages

Global Industrial Accident Statistics

In fiscal 2019, the number of industrial accidents was 10 in Japan and 29 overseas, representing an increase from fiscal 2018. Therefore, we implemented special safety activities from November 2019 to June 2020 to prevent any further rise in the number of accidents. Since many of these involved inexperienced employees, we have taken steps to make sure our staff are aware of safety by distributing videos presenting simulated dangers around their worksites. We will continue our efforts to prevent the recurrence of industrial accidents by analyzing the underlying factors for each.

Global Industrial Accidents Trend (Global)

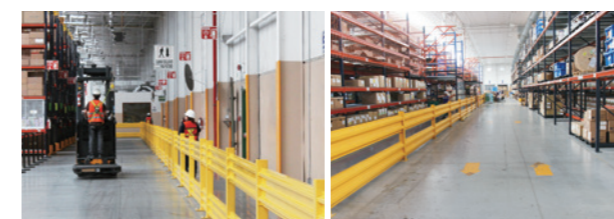


¹For improved accuracy, the values of the previous fiscal year have been revised.

Strengthening Safety Measures for Forklift Operators

Most transport work undertaken at our workplaces requires a forklift, and forklift-related accidents can be fatal. With this in mind, we have been actively strengthening safety measures for forklift operators since fiscal 2014 in order to eliminate such accidents. Measures include the separation of work areas and the assigning of different work hours for regular workers and forklift operators so that they are not present at the same time.

We have been working since fiscal 2019 to complete the separation of forklift operations from walking areas and plan to see the work completed at all our sites by fiscal 2022.



Separating forklift operations from walking areas

Equipment Certification

Since the introduction of a safety certification program for our production equipment in 2012, a risk assessment and safety confirmation are required for all areas where equipment is used. In fiscal 2016, we started reviewing our 18,778 units of production equipment installed prior to mandate so as to confirm compliance with the current safety standards. Although we finished reviewing all the equipment, our Equipment Safety Promotion Office plans to review it all again under the revised assessment method.



Certification Sticker

Safety Assessment and Measures for Buildings

Since the number of buildings and facilities aged 20 years or above is increasing across the entire Group, a simultaneous survey on structural damage in buildings and common facilities was conducted at 105 sites in 75 companies. We closely examined the urgency level in four stages, and completed repairing 416 cases that were assessed as urgently requiring repairs and requiring repair or modification plans by the end of fiscal 2019.



Before (left) and after (right) repair

Securing Safety of Suppliers

We ask all our suppliers to maintain a safe work environment in our CSR Guidelines for Suppliers as a safety requirement.

Health Initiatives

Under the health philosophy of the Group, which states "the health of each employee is a prerequisite for a lively company," the SWS Group strives to prevent health hazards and maintain the physical and mental health of our employees. We are promoting health-related activities in cooperation with the relevant personnel by stationing occupational health staff in the Human Resources Department at the SWS head office as well as in each region. In April 2020, we established a health declaration to strengthen our health promotion efforts by linking them to productivity improvement.

Specifically, we support the health of our employees by raising awareness through such initiatives as mental health promotion and prevention training, walking events, and health festivals.

We also strive to improve workplace environments by conducting stress checks and promoting health and productivity management², such as preventing passive smoking. In recognition of these efforts in March 2020, we were certified as a 2020 Certified Health & Productivity Management Outstanding Organization³ (under the large enterprise category), a program jointly sponsored by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi; this marked the second consecutive year for receiving this certification.

Employee Health Status (FY2019) and Results of Initiatives

Category	Items	FY2018	FY2019
Regular medical checkups	Overall rate of abnormal findings	56.5%	57.5%
	Rate of those who received a detailed checkup on lifestyle-related diseases	62.0%	72.0%
Lifestyle habits	Rate of those who exercise regularly*	27.2%	28.4%
	Rate of those who are well rested with good sleep	52.5%	50.9%
	Rate of smokers	27.6%	26.7%
Mental health	Response rate	91.8%	92.8%
	Rate of those experiencing high stress	10.5%	10.1%

*Percentage of people who walk or perform equivalent physical activities for more than one hour per day on a daily basis.



Glossary

- ¹1 Frequency rate: The number of fatalities due to occupational accidents per million hours worked, indicating the frequency of accidents.
- ²2 A management approach whereby enterprises focus on and strategically carry out efforts with regard to employee health from a management perspective. It is expected that an enterprise's investment in health-conscious activities will contribute to encouraging the vitality of employees and enhancing productivity, ultimately leading to improvement in performance (information from the website of METI).
- ³3 A program in which METI recognizes outstanding enterprises engaging in health and productivity management practices based on initiatives for overcoming health-related challenges in communities or for promoting health-conscious activities led by the Nippon Kenko Kaigi.



Community Engagement

Acknowledging our responsibility as a member of society, we contribute through local and international activities around the world.

Relevant SDGs



GLOBAL MESSAGE



Contributing to the Local Community and Companies while Having Fun

In the course of maintaining ties with society, we actively promote social contribution and encourage and support personal social contributions made by individual employees.

I have been in charge of safety and environmental work for 10 years since our founding in 2010 and have continued to engage in environmental protection projects such as city cleanups and community beautification campaigns. Then, focusing on welfare activities, I am now supporting children in the region who cannot go to school due to poverty and visiting nursing homes to talk with elderly people once a year. As a company, we have engaged in many kinds of social contribution and environmental protection initiatives, and in the process, our perspective has shifted to consideration for people and the environment. Employees are also expected to speak and act in consideration of their impact on society. I will continue to carry out activities that contribute to the local community and environment.

| China |
Tie Li Senior Manager, Administrative Department
Jiang Xi Wiring Systems Co., Ltd. (JXWS)

Basic Approach

The SWS Group is expanding its business in overseas as well as Japan. We recognize that global society consists of a world in which all living beings including people coexist and prosper in partnership with a nurturing environment, and we seek to contribute to this society by achieving success and prosperity through our worldwide business. Keenly aware that we are a member of society, we will help develop local communities as a corporate citizen and actively engage in social contribution.

Promoting Social Contribution

The SWS Group operates in 31 countries with about 230,000 employees around the globe. We call upon every employee to actively participate in addressing community concerns. We are committed to becoming a company that is highly valued in each location by encouraging all our employees to contribute to addressing social issues in those communities while also improving their work-life balance.

We use SWS Group newsletters to share the details of our social contribution and exchange information with employees.

The company intranet also provides information on the women's rugby team, PEARLS, which the SWS Group supports.



Information on the group bulletin

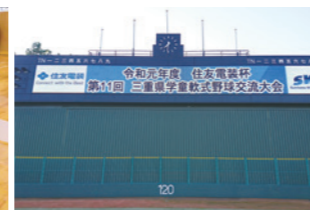
Our Social Contribution

The SWS Group, whose business activities are rooted in local communities, carries out a number of social contribution in Mie Prefecture, the home of our head office, and in other regions where we maintain offices and plants.

In fiscal 2019, our social contributions included promoting para sports, such as boccia, and what we call "SS Ping Pong," originally from Mie Prefecture, which is a modified version of sound table tennis for the visually impaired. We also donate goods and offer free use of a welfare vehicle.



The 3rd Sumitomo Wiring Systems Cup SS Ping Pong Championship



Tournament 2019 Sumitomo Wiring Systems Cup

Representative Initiatives

Mexico

Supporting Pediatric Cancer Patients by Recycling Caps

Since 2016, Autosistemas de Torreón S.A de C.V. has been promoting the recycling of plastic caps at all its plants four times a year, with about 3,000 people, or half of all employees, participating. The collected caps are sent to the local charity organization Destapa una Esperanza and used to help children with cancer undergoing treatment



at their own homes or in the hospital. This project was started by the company voluntarily, and it has received many messages of gratitude from Destapa una Esperanza and the local community.

Philippines

Supporting the Local Community by Planting Cocoa and Fruit Trees

As part of the founding event, Sumidenso Automotive Technologies Asia Corp. planted cocoa seedlings and fruit trees in the region over two days, November 9 and 16, 2019. Tree planting contributes to environmental conservation as well as the lives of local people, who can sell the produce in the future. A total of



188 people participated in the event, including company executives and employees. The company's effort was appreciated by local residents as well as the local CSR organization to which the company belongs.

Vietnam

Contributing to Improving Hygiene in Local High Schools by Donating Toilets

Every year since fiscal 2017, Sumidenso Vietnam Co., Ltd. has been donating toilets to schools in Hai Duong Province. In fiscal 2019, toilet construction at KeSat high school in the Binh Giang region was completed, followed by an inauguration ceremony in December 2019. The ceremony was attended by company executives, school officials and about 100 students. After speeches from representatives



of the company and school, employees explained to the students how to use the toilet. The company's effort has been broadcasted on the radio and shared throughout the region, with local governments also expressing their appreciation.

Hungary

Participating in Volunteer Repair Work for a Local Elementary School Building

In August 2019, SEWS-Automotive Wire Hungary Ltd. painted the building of the only elementary school in the region where it operates. After consulting with school officials, the company purchased the necessary supplies and equipment and employees did the painting. The company had been looking for ways to contribute to the local community through conversations with local organizations and groups and was



able to adopt this initiative as a result. The effort was widely shared across the world through photos posted on social media, and the company received a letter of appreciation from the elementary school.

Thailand

Supporting a Social Participation Promotion Event for Persons with Disabilities

On December 3, 2019, International Day of Persons with Disabilities, Sumitomo Electric Wiring Systems (Thailand) Ltd. participated in an event hosted by the Association of Persons with Disabilities in Nikompattana, Rayong Province. In addition to financial support, the company provided job training for persons with disabilities, recreational activities and gift donations. These efforts will



help persons with disabilities become more involved in social interactions and promote mutual understanding between them and the general public.

China

Fundraising Campaign to Prevent the Spread of COVID-19

Due to the spread of COVID-19 in Wuhan, Hubei Province since the end of January 2020, the local government of the region where Jiang Xi Wiring Systems Co., Ltd. operates has been working to prevent further spread. A fundraising campaign was conducted inside the company to support this effort by the government through a mobile app instead of receiving cash in person for protecting the participants from possible infection. A total of 20,000 yuan was donated to Hubei



Province from 558 people, representing nearly every employee. The company got an award recognizing the effort and also received a message of gratitude from Hubei Province and the Chinese Red Cross Society through social media.



Global Environment

The SWS Group recognizes its significant impact on the environment and will continue working toward realizing a sustainable society in harmony with the environment by operating clean factories that contribute to a brighter future.

Relevant SDGs



GLOBAL MESSAGE



Promoting the use of our continual improvement programs to advance EMS performance

I am responsible for coordinating the SEWS EMS program by ensuring ISO14001 compliance and providing corporate level guidance for the SEWS Continual Improvement programs. One environmental objective I am proud of is the reuse of material in our facilities. At our Edmonton Kentucky location, we installed an alcohol distillation machine and have reclaimed over 47,000 lbs. of flammable liquid since 2013.

Our SEWS EMS and Continual Improvement programs work hand in hand to encourage associates to provide ideas to improve our environmental performance and overall profitability.

| United States of America |
Wendy Browder Specialist III, Regulatory Affairs
 Sumitomo Electric Wiring Systems, Inc. (SEWS)

Environmental Management

Environmental Preservation Principles

Basic Principles

The SWS Group shall implement business activities to create an affluent society with full consideration for environmental preservation.

Environmental Preservation Action Guidelines

- 1 Make efforts to develop and improve eco-technology (also known as "green engineering") in every field of product planning, development, design, manufacturing methods, production, logistics, usage and disposal aiming at product manufacturing, with consideration given to influence on ecosystems and protection of resources.
- 2 Determine self-imposed restraints to reduce impact on the environment, in addition to observing environmental regulations by the government, local public bodies and other organizations.
- 3 Conduct an environmental audit to check the progress of environmental preservation plans and job performance levels in order to maintain and improve the level of environmental management.
- 4 Improve environmental awareness in the SWS Group, including overseas sites, and promote environmental preservation activities through communication with local communities.

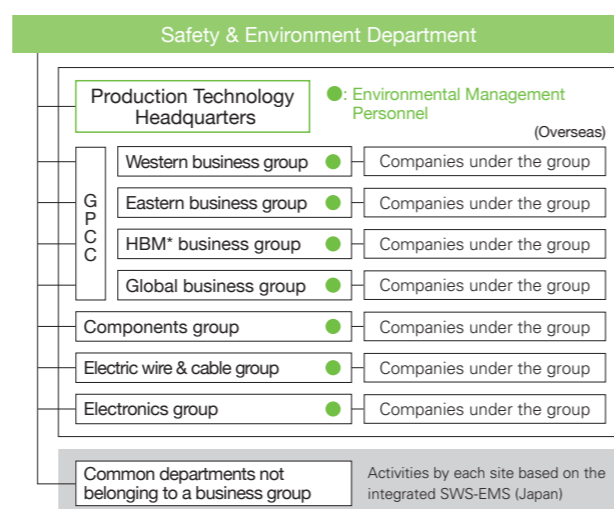
Environmental Slogan
 Clean Factory For The Future



Environmental Management System

In fiscal 2017, the Sumitomo Wiring Systems Group reviewed and reorganized its environmental management system (EMS), which had been centered on an environmental subcommittee, overseas companies, and four domestic areas, into a system led by business departments, with each assigning its own environmental management officer. In addition, we have successfully made the transition, including at our overseas

Environmental Management System Chart



*Hybrid Mobility

bases, to the revised ISO 14001:2015. In fiscal 2019, we created a global standard handbook in Japanese, English and Chinese and distributed it to all our sites to ensure compliance with international environmental standards and fully embed them across all levels of the Group.

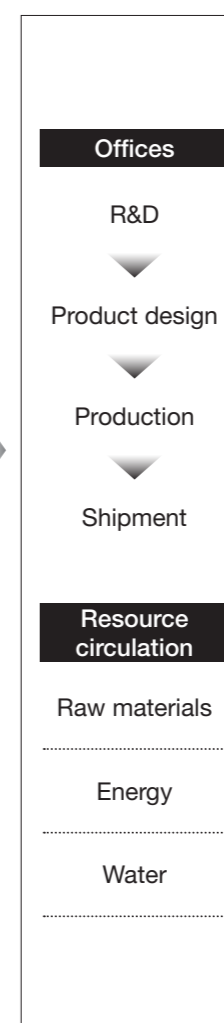
Working in collaboration with overseas companies, we will continue to expand the scope of environmental assessment items for monitoring the status of compliance with these standards and strive Group-wide to establish an internal audit system that complies with international standards.

Environmental Audits

We conduct environmental audits to ensure that the environmental management systems of our domestic group companies are being appropriately operated and maintained in accordance with ISO 14001. The fiscal 2019 audit found no instances of noncompliance throughout the company.

Material Balance (in Japan) (FY2019)

INPUT	
Energy	
Purchased electricity	171 GWh
City gas	239,000 m ³
LPG	370 t
Heavy oil A	236 kℓ
Kerosene oil	265 kℓ
Water	
Water	655,000 m ³
Water supply	259,000 m ³
Well water	238,000 m ³
Industrial water	159,000 m ³
Raw materials	
Copper, aluminum	29,000 t
Resins	34,000 t
Chemicals	
PRTR-regulated substances	17.8 t



OUTPUT	
Air	
CO ₂ emissions	82,000 t-CO ₂
SF ₆ * (CO ₂ equivalent)	20 t-CO ₂
PRTR-regulated substances	1.4 t
Effluents	
Effluents	655,000 m ³
PRTR-regulated substances	0.23 t
Disposal	
Wastes (exclude valuable resources)	2,600 t
Material recycling	1,200 t
Thermal recovery	1,200 t
Landfill incineration	300 t
PRTR-regulated substances	2.4 t
Recycling	
Valuable resources (including copper, copper alloys)	18,000 t

*Sulfur hexafluoride

SWS Group Environmental Action Plan

The SWS Group has sought to cultivate stronger relationships with the global community toward reducing environmental impact at every stage of the product life cycle, from development to disposal. In fiscal 2018, we introduced the Action ECO-22V campaign of Sumitomo Electric Industries, Ltd. to implement environmentally sound activities through our business.

Action ECO-22V Campaign (FY2018–FY2022 Targets)

Action ECO-22V FY2018–FY2022, Base Year: FY2017		Scope of Application	FY2019			FY2022 Targets
			Targets	Results	Evaluation	
Prevention of global warming (CO ₂ reduction)	Reduce CO ₂ emissions	Global	Reduce by 0%	Reduced by 15.9%	●	Reduce by 5%*2
	Reduce energy consumption per unit*1	Global	Reduce by 2%	Reduced by 12.0%	●	Reduce by 5%
Promotion of resource saving and recycling	Reduce waste per unit*1	Global	Reduce by 2%	Reduced by 6.5%	●	Reduce by 5%
	Reduce water consumption per unit*1	Global	Reduce by 2%	Reduced by 11.5%	●	Reduce by 5%
Expansion of environmentally sound product range	Increase ratio of environmentally sound products in sales	Japan	84%	83%	△	90%
Zero legal violations and environmental accidents		Global	0	0	●	0

●: Target met △: Target unmet (improved from previous year) ×: Target unmet (declined from previous year)

*1: Production unit

*2: Revised FY2022 targets

Climate Change Mitigation

Greenhouse Gas Emissions (Global)

FY2019 target 0% reduction from FY2017

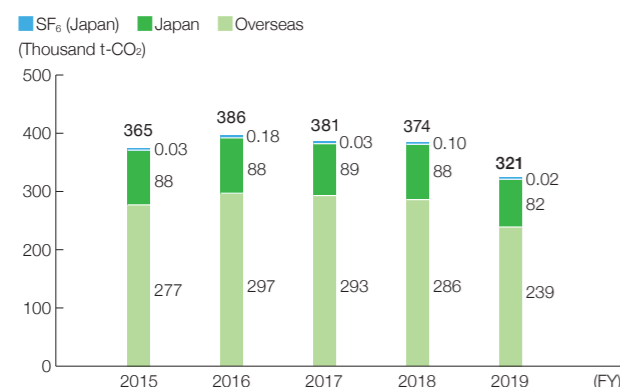
FY2019 result 15.9% reduction from FY2017

The SWS Group acknowledges the urgency of taking action to mitigate climate change and is moving forward in a concerted effort to establish clean factories.

In fiscal 2019, we set a target to prevent GHG emissions across the entire Group from increasing compared to the fiscal 2017 level, and the target was achieved by reducing emissions by 15.9% (321 thousand tons).

In fiscal 2019, we promoted the purchase of renewable electricity in some areas as a measure for reducing emissions. In fiscal 2020, we will consider purchasing it for the entire Group.

Greenhouse Gas Emissions (Global)



*For improved accuracy, the values of the previous fiscal year have been revised.

Reduction in Per Unit Energy through Energy Saving (Global)

FY2019 target 2% reduction per production unit from FY2017

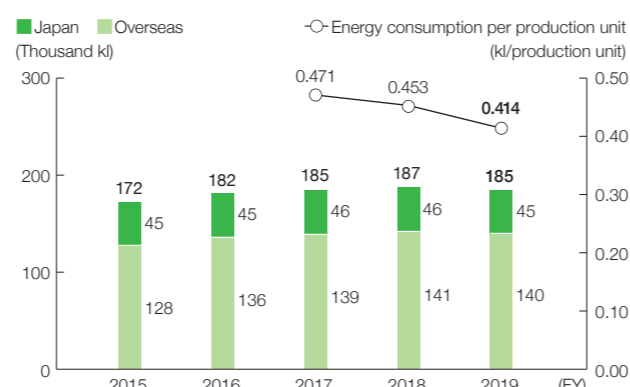
FY2019 result 12.0% reduction per production unit from FY2017

The energy consumption per production unit fell 12% from fiscal 2017 as a result of energy saving efforts such as the installation of solar panels and updating equipment, thereby meeting the target.

In fiscal 2018, we set up a system that requires each site to formulate an annual energy saving plan and report monthly progress to the headquarters. We improved and instilled energy-saving habits through what we refer to as "upgrading activity," in which we collected the data reported, provided feedback, and visualized progress once every three months against data from the same period in the previous year.

Moreover, we proactively share information by compiling excellent examples of both energy saving and waste reduction

Energy Consumption through Energy Saving (Global)



into examples of improvement cases and posting them on the intranet along with a video on how to make improvements. The video highlights in multiple languages effective energy-saving efforts such as inspection methods for preventing energy loss due to plant air leaks.

To promote our energy saving efforts, we have trained environmental instructors at manufacturing sites. In fiscal 2019, 175 participants from both Japan and overseas sites learned how to review equipment, such as lighting, air conditioners and capacitors, based on their energy saving plans. They will provide environmental guidance at each site while applying the knowledge they gained from the training.

Value Chain Initiatives

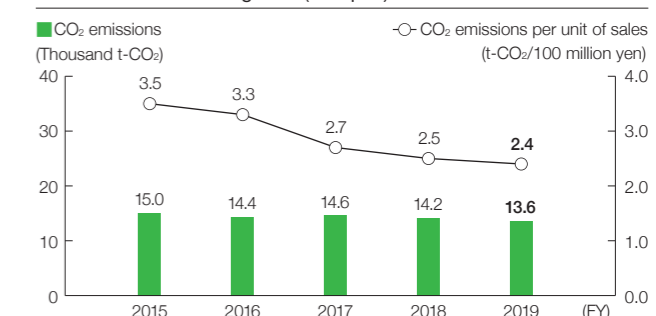
Promotion of Green Procurement

We distribute Green Procurement Guidelines to our suppliers to promote environmental conservation efforts through business activities. In fiscal 2019, 85% of our domestic suppliers and 66% of our overseas suppliers agreed to follow the guidelines. In addition, we have established rules concerning the practices of green purchasing of stationery and office supplies as well as equipment used for business to ensure that green products such as Eco Mark and Energy Star Mark products are given preference in purchasing. We are also cooperating with the environmental activities of car manufacturers by understanding their environmental policies.

Reduction of CO₂ Emissions from Logistics (in Japan)

Emissions of CO₂ from logistics in Japan were reduced by 4.2% from fiscal 2018, indicating the impact of activities to reduce CO₂ emissions in transportation. Moreover, we shortened the transportation distance and introduced full trailers and many additional modal shift* initiatives such as ferry transportation in fiscal 2017 to further reduce CO₂ emissions.

CO₂ Emissions from Logistics (in Japan)



Glossary

*Switching freight transportation using trucks and other automobiles to railroads and ships with lower environmental impact

VOICE

Utilizing Solar Power Technology to Save Energy and Reduce CO₂

In July 2019, we introduced a 3MW solar power system, which generates a monthly average of 300 MWh solar energy, covering about 40% of the total electricity used by the company. This is equivalent to a reduction of 1,113 tonnes of standard carbon, 2,775 tonnes of CO₂ emissions and planting 150,000 trees annually. The solar panel system also allowed us to reduce the electricity required for air conditioners because the solar panels themselves blocked direct sunlight. We have an exhibit of a model solar power system and real-time data to raise environmental awareness and help all our visitors and employees understand the impact of the project.

As a member of the SWS Group, we will consistently explore new projects and promote the rational use of natural energy sources to achieve our environmental goals.



Zhang Tao
Manager, Human Resources and General Affairs Department
Sumidense Mediatech Suzhou Co., Ltd. (SDM-S)

Resource Recycling and Control and Reduction of Substances of Concern

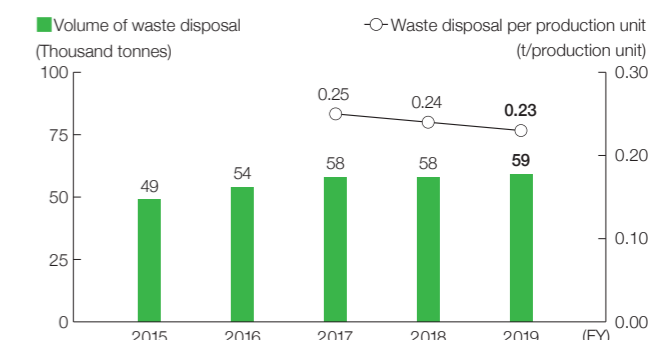
Waste Reduction (Global)

FY2019 target 2% reduction per production unit from FY2017

FY2019 result 6.5% reduction per production unit from FY2017

In fiscal 2019, the waste reduction rate per production unit decreased by 6.5% from fiscal 2017 as a result of efforts such as progress management by formulating waste reduction plans and information sharing through examples of waste reduction examples. We will incorporate these examples into the plan for the next year.

Volume of Waste Disposed (Global)



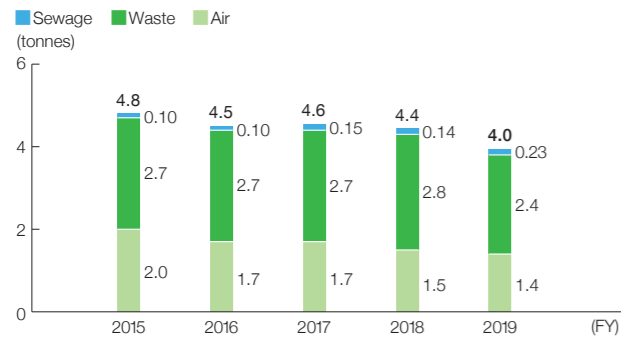
*For improved accuracy, the values of the previous fiscal year have been revised.

Control and Reduction of Substances of Concern

Toward strengthening the management of substances of concern, we adopted the system of the Sumitomo Electric Industries Group. For our Group companies in Japan, the amount of PRTR*-regulated substances released decreased by 9.1% from fiscal 2018. Substances subject to mandatory reporting included antimony and its compounds, methylnaphthalene, and nickel compounds.

Moreover, in compliance with the Law Concerning Special Measures against PCB Waste, the SWS Group stores PCB-containing devices, provides the required notifications, and follows through with disposal.

PRTR-regulated Substances by Year (in Japan)



Conservation of Water Resources (Global)

FY2019 target 2% reduction per production unit from FY2017

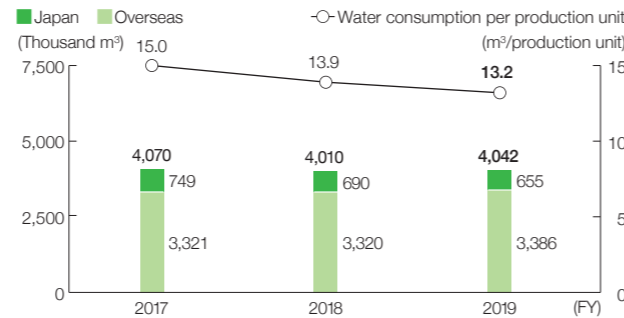
FY2019 result 11.5% reduction per production unit from FY2017

Recognizing the importance of water resources as natural capital, the SWS Group conducts a wide range of initiatives to reduce water use at each site, for example by inspecting water pipes once a month and using toilet drainage for flowers

on the premises. Through these efforts of each company, the Group's water consumption rate decreased by 11.5% in fiscal 2019 compared to fiscal 2017.

We also conduct a water risk assessment at all SWS Group companies. Using the results, we are working to identify water risks that could affect the continuity of our business.

Water Consumption and Reduction Rate (Global)



*For improved accuracy, the values of the previous fiscal year have been revised.

Conservation of Biodiversity

Under the environmental conservation philosophy of the SWS Group, global efforts are being made for conserving biodiversity.

SUMI PHILIPPINES WIRING SYSTEMS CORPORATION (SPWS) is working with the environmental group ENRO Bataan to promote the importance of marine conservation through a mangrove reforestation project, contributing to the conservation of the ecosystem.

Glossary

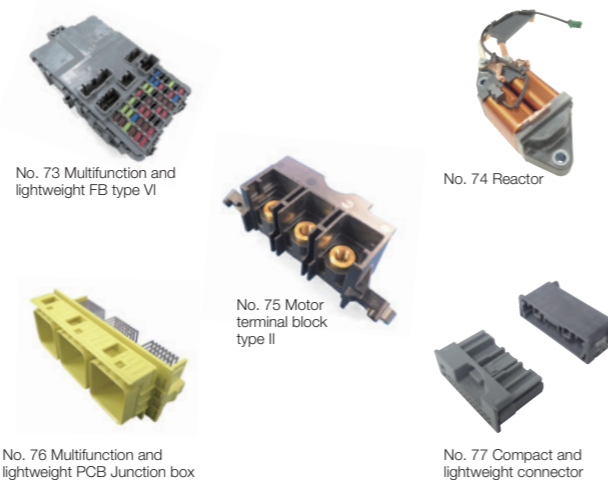
*A mechanism for assessing, collecting, and publicly releasing data about various types of harmful chemicals released into the environment, including source and quantity, and details as to whether or not they have been transferred off-site for treatment with other waste

Environmentally Sound Products

The SWS Group launched the Eco Symbol Mark Certification System (environmentally sound product certification system) in compliance with ISO 14021 in May 2005 as a means for contributing to global environmental preservation through its products. The Eco Symbol Mark Certification Committee, chaired by the Corporate Environmental Management Officer, is responsible for certification, and 80 products have been certified to date, including 6 in fiscal 2019. Nevertheless, the ratio of certified products to sales in fiscal 2019 was 83%, which fell short of our target of at least 84%.

When developing new products or undertaking major design changes, we conduct environmental assessments and register the products as Eco Mind Products. Currently, the registration rate is at 100%. To boost the sales ratio of environmentally sound products as well as the registration rate of Eco Mind Products, we will continue to focus our efforts on environmental protection through our products.

Products Certified as Environmentally Sound in Fiscal 2019



Governance

We are reinforcing the foundation that sustains our Group while simultaneously seeking to enhance our compliance system in cooperation with suppliers.

Relevant SDGs



GLOBAL MESSAGE



Targeting Zero Entertainment and Gifts Offered to Government Employees

SZAW has been strengthening its efforts since the establishment of the Anti-bribery Compliance Regulations in March 2014.

As an anti-bribery manager, I review the legality of all entertainment and gifts to ensure thorough legal compliance within the company. Since October 2019, we reduced opportunities for offering entertainment and gifts to government employees to reduce the risk of bribery, and we have started making efforts to achieve zero bribery incidents by the end of fiscal 2020.

Through our ongoing efforts and support of each department, we were able to instill anti-bribery awareness among our employees and consequently reduced the number of entertainment and gifts offered to government employees from 26 in fiscal 2017 to 3 in fiscal 2019. In fiscal 2020, we have maintained zero incidents of entertainment and gifts offered to government employees as of the end of June. We will continue our efforts to prevent bribery, including projects for raising employee awareness.

| China |

Xiaoling Wang Assistant Manager, General Affairs Department
Suzhou Sumiden Automotive Wire Co., Ltd. (SZAW)

Corporate Governance

Basic Approach

The unchanging basic policy of the SWS Group is to contribute to society through fair and appropriate business activities under the Sumitomo Business Spirit, Sumitomo Wiring Systems Group Basic Principles and Sumitomo Wiring Systems Group Charter of Corporate Behavior. Under these basic principles, we will ensure transparency and fairness in our management based on appropriate corporate governance and work toward achieving sustainable growth as well as improving corporate value over the medium to long term.

Corporate Governance System

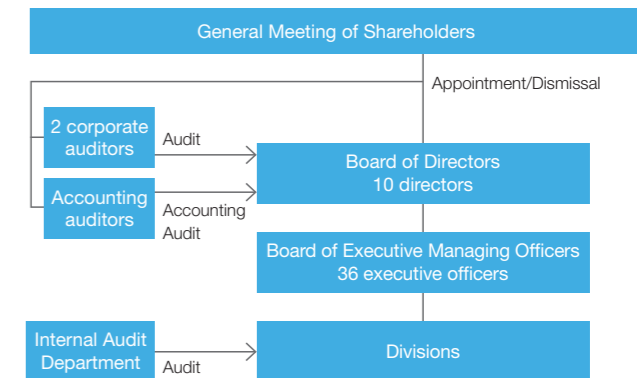
Sumitomo Wiring Systems adopted the Executive Officer System to accelerate decision-making and enhance business execution.

The Board of Directors, chaired by the president, holds regular monthly meetings and extraordinary meetings as needed to carry out deliberations and make final decisions on key issues related to business operations. In fiscal 2019, it held 13 meetings. Prior to bringing key issues before the Board of Directors, the Board of Executive Managing Officers conducts preliminary reviews to facilitate the deliberations by the Board of Directors. Two corporate auditors audit the business execution performance of the directors at SWS to ensure the soundness and adequacy of management.

In terms of internal audits, the audit department in charge conducts onsite audits of the Group, including Group companies. All audits are conducted in cooperation with corporate auditors and accounting auditors as appropriate.

Various types of training are offered for the Board of Directors to maintain and improve its business execution functions and quality. Executive training for newly appointed directors provides an opportunity to acquire knowledge about our management.

Corporate Governance System (as of June 30, 2020)



Group-wide Management Activities

CSR Committee	Compliance Committee
Risk Management Promotion Committee	Information Security Committee
⋮	⋮

Compliance

Basic Approach

The SWS Group has established a code of conduct for ethical business practices that all directors, officers and employees must be expected to follow regarding regulatory compliance, fair competition, anti-bribery efforts, protection of confidentiality and intellectual property, respect for human rights and environmental protection.

Sumitomo Electric Group Code of Conduct
https://global-sei.com/csr/coc/pdf/Sumitomo_CoC_English.pdf

Compliance System

We established a compliance manual as a set of guidelines for daily operations. Every SWS Group employee is expected to adhere to the guidelines in the spirit of acting under the highest ethical standards. Compliance Committee meetings, chaired by the executive officer in charge of legal affairs, are held on a regular basis to reinforce this effort through the planning and implementation of measures that ensure business operations are being conducted legally and ethically and compliance risks are being identified, analyzed, and dealt with.

We also developed a worldwide legal risk reporting system to obtain and understand potential or identified legal risks both quickly and comprehensively within each Group company and to act promptly when addressing them.

Compliance Training

For the SWS Group to earn the trust of stakeholders and realize sustainable growth, every employee must develop a compliance mindset and act as a good corporate citizen. In addition to annual executive training, we actively engage in compliance training and education tailored to the characteristics of each workplace by designating areas to be improved each year.

In addition, to ensure that employees are aware of their compliance obligations, we use our group newsletters to introduce topics related to compliance and discuss issues that can arise in the course of business such as anti-harassment, prevention of insider trading, and information leakage in social networking sites for new employees.

We also provide training for our overseas sites. Together with Sumitomo Electric Industries, we visit about ten overseas companies every year to provide training focused on the competition law and bribery prevention. In fiscal 2019, we began conducting training on compliance for managers at 21 business sites in Japan. We also introduced e-learning for some of our training to prevent the spread of novel coronavirus infections. Online channels for our courses will be expanded starting in fiscal 2020.

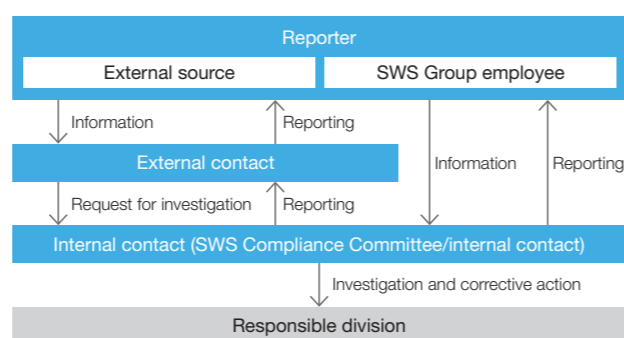
Compliance Training (Fiscal 2019) (in Japan)

Type of Training	Number of Sessions	Participants
Training for new employees	2	240
Training for mid-career recruits	12	153
Position-based training	15	664
Optional training	9	322
Training for managerial positions	28	1,444
Total	66	2,823

Contacts for Compliance Reporting

Contacts for compliance reporting were established as an effective system for the early detection and correction of any incidents of legal or ethical non-compliance. To make filing reports easier, we set up an internal contact run by our Legal Department as well as an external contact operated by our corporate legal counsel. In November 2019, we also established an online external contact that can be accessed from both Japan and overseas sites. Reports of non-compliance are mainly investigated and handled by the Compliance Committee Secretariat. In fiscal 2019, 48 incidents (38 harassment cases, 6 general labor cases and 4 others) were reported, investigated, and otherwise appropriately addressed.

Compliance Reporting System



Anti-bribery

We have established an anti-bribery program, which covers facilitation payments—that is, payments lacking a legal basis. In February 2018, we modified the anti-bribery program to focus on monitoring high-risk cases, including offering entertainment and gifts to government employees. In fiscal 2018, we started special activities to prevent bribery as well. Every quarter, we monitor companies that frequently interact with government employees. In fiscal 2019, we monitored five companies in the U.S., China, and South Korea. We are systematically taking action to reduce bribery and gradually making improvements, particularly for companies that are geographically considered to be at high risk.

Risk Management

Risk Management Basic Policies

Within the framework of the Sumitomo Wiring Systems Group Basic Principles, the Risk Management Basic Policies clearly stipulate corporate policies that require us to give priority to human life; to strive to improve quality, secure safety and ensure a stable supply of products; and to maintain good relationships with stakeholders, including customers and local communities.

We have identified five major areas (Promotion System Management; Risk Communication; Preventive Risk Management; Crisis Management; Overseas Safety Measures) where we will make comprehensive efforts under our corporate risk management system.



Risk Management System

We established the Risk Management Promotion Committee under the Risk Management Committee, with the Risk Management Office as its secretariat. In addition, we assigned risk managers to each division and domestic manufacturing subsidiaries and risk management staff to each department to promote risk management efforts. In fiscal 2019, we conducted a risk inventory at each of our divisions, 8 domestic Group companies and 43 overseas Group companies, with the cooperation of these risk managers.

We also compiled risk-related information and shared with domestic and overseas group companies the actions to be taken in the event of an accident. In addition to daily risk management activities, we are developing a system that allows all our employees to work together to address crisis situations.

Risk Management System



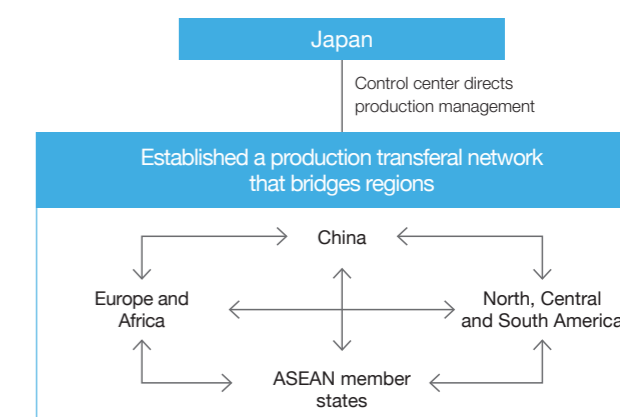
Analysis and Countermeasures for Global Risks

Sumitomo Wiring Systems operates businesses in 31 countries around the world, which exposes the company to natural disasters such as earthquakes and typhoons, political risks such as social instability, labor risks such as compliance violations and other types of risks that require our careful consideration of several scenarios and countermeasures on a global level. To address such a wide range of risks, we have formulated and implemented the Risk Management Guidelines, which can be applied throughout the company, including our overseas Group companies.

In accordance with the guidelines, we continue to identify the risks that overseas subsidiaries face, assess the risks of each country and region, and develop and implement risk countermeasures. In addition to the prompt sharing of information on apparent risks and implementation of countermeasures, we strive to prevent risks by regularly deploying risk-related information to relevant personnel.

In our wiring harness business, which is our main business, we endeavor to ensure continuity of production and supply even in times of crisis. For example, if production is suspended at some of our overseas plants, the production control center in Japan directs the disrupted production to be carried out at other locations. Moreover, we are strengthening our ability to continue operations should a risk materialize by creating a database of locations and other necessary information on parts production plants for our major suppliers and by establishing a system for promptly confirming employee safety and the impact of the risk on parts supply.

Production Control System



Initiatives in Fiscal 2019

As a member of the Sumitomo Electric Industries Group, we worked together with the relevant departments and focused on providing guidance to overseas Group companies from the perspective of strengthening risk management across the entire harness business. Furthermore, we have implemented crisis management for COVID-19, which emerged in 2019.

BCP*1

Our BCP is regularly reviewed to sustain key operations, even in the event of a crisis such as a major natural disaster. We have also been conducting evacuation/disaster drills in anticipation of a major Nankai Trough earthquake and distributing a tsunami evacuation manual for employees. Going forward, we will review the contents of our drills to prepare for storms and floods that have recently been causing increasingly massive damage to improve our preparedness for natural disasters.

In fiscal 2019, we reviewed the BCPs of 43 overseas Group companies and worked to improve our supply chain management to strengthen our international business continuity system. These efforts provide a system for enabling our global businesses to continue operating even in the event of a crisis.

Response to COVID-19

We established the Novel Coronavirus Infection Control Headquarters to collect information on the current status of infections and operations at all our business sites worldwide as well as the impact on other businesses and to take the necessary actions.

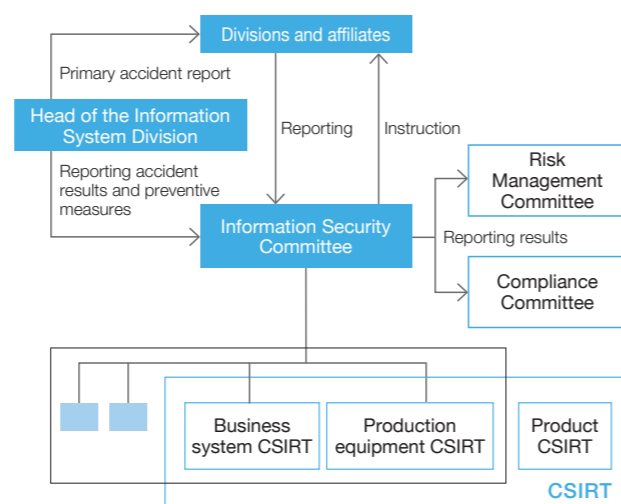
With top priority on maintaining the health and safety of our employees and their family members, we continued our operations while implementing such measures as staggered working and teleworking systems and improving workplace environments to avoid the “three Cs” (closed spaces, crowded places, and close-contact settings). We also focused on maintaining strong cooperation with suppliers as a key consideration. In anticipation of the new, post-pandemic world, we will further promote the use of digital technologies to increase workplace efficiency and productivity.

Information Security Measures

We recognize the importance of proper protection and management of information assets in our operations and have the Standards for Information Security Countermeasure, which defines our organization and information management methods for ensuring security information based on our stance stated in the Information Security Policy. For responding to accidents, we have established a system that allows us to quickly investigate, analyze, and address the incident, mainly using the CSIRT*2, which is capable of swiftly assessing and dealing with information security-related occurrences.

In fiscal 2019, we promoted digitization of information security training materials and introduced e-learning. Also, we periodically conduct training related to targeted email attacks to be well-prepared for the increasing frequency of cyber-attacks. Going forward, we will take full measures for facilities in plants that require ICT and measures that meet the information security standards that customers demand.

Information Security System



Glossary

- *1 An action plan formulated in anticipation of an unforeseen event such as a disaster or accident and intended to minimize impact on important operations so that business can be quickly recovered and resumed if interrupted.
- *2 Computer Security Incident Response Team

Human Rights

Basic Approach

The SWS Group recognizes its founding principle of “respecting individuality and nurturing a vigorous and prosperous corporate culture.” In line with the human rights policy established by the Sumitomo Electric Industries Group in February 2019, we are working to clarify and promote our human rights initiatives further.

[Human Rights Policy of the Sumitomo Electric Industries Group](https://global-sei.com/csr/sociality/pdf/human_rights.pdf)
https://global-sei.com/csr/sociality/pdf/human_rights.pdf

Activities for Promoting the Development of Dynamic Workplaces

We are undertaking company-wide ongoing efforts to promote the development of dynamic workplaces to encourage a long-term awareness of human rights in our workplaces. The members of the Dynamic Workplace Promotion Committee, selected from each department, participate in human rights awareness training and share what they have learned in their respective workplaces. This raises human rights awareness among all employees and facilitates lively communication while also boosting efficiency. Since the formation of the committee in fiscal 2013, 1,642 employees have served as members. Although these committee activities ended in December 2019, training and other initiatives will continue.

In Japan, we incorporated discussion of the LGBT community in our training to deepen understanding of this community and promote a pleasant work environment that respects the individuality of each employee. From fiscal 2019, we also changed the group training to an e-learning format. Moreover, we have established a system for the early detection of and response for dealing with harassment. Any promotion officer who recognizes a situation involving harassment will directly report the incident to the personnel division. And we are striving to create sound working environments, such as by assessing the conditions of each workplace through dynamic workplace patrol activities, implemented by both labor and management, and by introducing good practices through group newsletters.

Similar efforts are being made overseas as well, promoting the development of dynamic workplaces under a wide range of themes beyond human rights to include the improvement of workplace communication and efficiency.



At the Long Service Award Ceremony

Participating in a breast cancer awareness event held in the local community

Human Rights Training

To foster and increase human rights awareness, we conduct position-based training for all our employees, from new hires to managers. In fiscal 2019, we conducted training encompassing harassment, LGBT and other issues with 105 participants.



LGBT Training

Human Rights Due Diligence

The SWS Group conducts human rights due diligence to avoid and alleviate any negative impact on human rights that may occur through its business operations. A questionnaire survey of domestic and overseas Group companies was conducted in 2019 to identify human rights issues across the organization. The survey confirmed that no human rights issues have arisen.

Response to Conflict Minerals

To fulfill our social responsibilities in procurement activities, we are committed to sourcing only conflict-free minerals that do not use conflict minerals* from the Democratic Republic of the Congo and neighboring countries. We specify our policies in our CSR Procurement Guidelines and conduct annual supplier surveys on conflict minerals.

Human Rights Consultation Desk

We have established human rights consultation desks in each region and plant in each country to resolve human rights issues as they are reported while strictly protecting privacy. Details of issues and how they are handled are reported to the Company-wide Human Rights Awareness Promotion Committee, which is attended by the officers in charge. No issues were reported to consultation desks in fiscal 2019.

Glossary

*Tantalum, tungsten, tin, gold or their derivatives mined in the Democratic Republic of the Congo or adjoining countries and their transactions are used to fund armed forces that commit serious human rights violations.

Taking Action with the Understanding that It's Better to Be Safe than Sorry

We are currently formulating a BCP assuming large-scale earthquakes, infectious diseases and other disasters. It is essential for the group to have a wealth of knowledge for flexibly responding to emergency situations, such as the recent outbreak of coronavirus.

At the same time, the current system must be both maintained and strengthened. We need to continue taking action with the understanding that damage can be far worse than expected, so that it is better to be safe than sorry, otherwise we could be dragged into even greater risks in the blink of an eye. We are implementing disaster prevention and mitigation measures for every anticipated risks to ensure the survival of our employees and businesses in the event of a disaster. We ask all our employees to acquire the accurate knowledge and skills to respond to disasters through continuous training.



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VOICE



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