

Corporate Social Responsibility Report

CSR Report 2015



📀 Sumitomo Wiring Systems

Message from the President

Taking CSR another step toward 2017 to become a company rooted in and familiar to local communities

The economic environment surrounding the SWS Group and the strategic background for Vision 2017

The global economy in fiscal 2014 showed a recovery trend in the United States and Europe and slowing economic expansion in China. The automobile industry, the major client base of the SWS Group, benefited from the recovery in the North American and European markets as well as the positive effects of a weaker yen. As a result, we saw solid growth in orders received, achieving record high sales in fiscal 2014. The united efforts of our employees behind our Vision 2017 medium-term management plan proved to be a major contributory factor as well.

Vision 2017 is our plan for pursuing a variety of actions toward

becoming the world's most successful wiring harness business in fiscal 2017. We are strengthening our global competitiveness to take the next leap forward. In concrete terms, we are further reducing costs (material procurement, manufacturing reform and reduced indirect costs), differentiating ourselves from competitors by augmenting and accelerating development and proposal creation, and reinforcing our global marketing to establish a firm structure that can flexibly respond to changes in the market environment.

CSR activities in the SWS Group

CSR activities are a key part of our mid- to long-term growth as a global corporate group. With top priority on maintaining the trust and confidence of our stakeholders, we are conducting our global business operations in line with the eight CSR priorities.

As a maker of labor-intensive wire harnesses, the SWS Group now employs over 240,000 people who are actively engaged around the world. For a group that has always pursued better manufacturing and the development of better manufacturing by developing better people, employees are irreplaceable assets, so the creation of a comfortable workplace is vital. To this end, we have chosen to prioritize the creation of a vigorous and lively workplace in our CSR efforts. Our employees take the initiative in identifying challenges and making improvements in their workplace to encourage active communication and boost operational efficiency. Athletic meets and bowling tournaments, which

Message from the President

play a role in these improvement activities, have been consistently successful with large turnouts. The activities provide opportunities for

personal interaction that strengthens the bond among employees and leads to smoother operations and other positive results in business.

Overseas expansion centering on CSR activities

Because of the large number of overseas employees, we emphasize enriched employee education and improved working environments, while also contributing to local economies through job creation. The Group maintains many plants in developing countries, including those in which infrastructure development is proceeding slowly and employment rates are low. Our advantage lies in being able to offer products of uniform quality across the globe by applying Japanese technology and experience to overseas operations, even under such conditions.

One example is G-STARS, an international standard training and evaluation system under which employees go through about four weeks of intensive training before starting at their regular worksite. The training includes classroom instruction, skill development and production line training to provide basic knowledge and team-building competencies so the trainees can later work as independent members of the SWS Group. We are also enriching our benefits program to include commuting costs and meals so that employees can work with a sense of security for years to come. By keeping CSR activities in mind, we can pass on our technologies and ways of thinking whenever we enter a new region.



Becoming a company rooted in and familiar to local communities toward 2017

Sumitomo Wiring Systems will mark the 100th anniversary of its establishment in 2017. We will contribute to society by delivering safe and secure eco cars to as many customers as possible by supplying our products. We envision a society in which stakeholders can use automobiles safely and securely through collision-free vehicles, automated driving support devices and the development and dissemination of new products for expanding the adoption of automatic traveling systems. In addition, we are looking into a further evolution of low-cost fuel technologies, including lightweight wire harnesses and accessories, hybrid cars and electric vehicles to help curb global warming.

As a foothold for future efforts, we established a joint venture with Japan Transcity Corporation, based in Mie Prefecture, Mie Toyota Co., Ltd. and Taniguchi Oil Corporation to operate the first hydrogen stations in Mie in July 2015. Despite several issues impeding the widespread adoption of fuel-cell vehicles, including cost and institutional inertia, we intend to launch operations in 2016 to assist global environmental conservation and regional revitalization.

"Connect with the Best," the Group's basic principle, always serves as the foundation for the CSR activities that connect us with our stakeholders. As we approach our 100th anniversary, we will further advance our CSR activities to become a company rooted in and familiar to local communities.

Kany frone

Osamu Inoue President and Chief Executive Officer, Representative Director Sumitomo Wiring Systems, Ltd.

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Editorial Policy

The Sumitomo Wiring Systems (SWS) Group publishes an annual CSR report to share information on Group activities with stakeholders. In this report, our eighth edition, we offer a concise summary of where we stand in our CSR activities centered on eight CSR priorities while having featured articles on the "Creation of a Vigorous and Lively Workplace," one of the eight priorities. 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

April 1, 2014 through March 31, 2015 (fiscal 2014) Some activities conducted in fiscal 2015 are also covered. Date of publication: October 2015 (the next edition is scheduled for release in October 2016)

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

Global Reporting Initiative's (GRI's) "Sustainability Reporting Guidelines, Version 4," and "Environmental Reporting Guidelines 2012" issued by the Ministry of the Environment of Japan

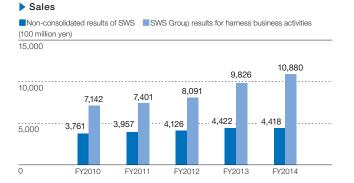


Company Overview

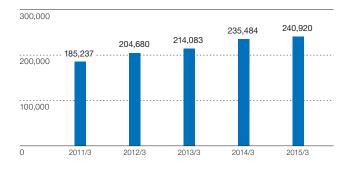
The SWS Group operates on a global stage with automotive wiring harnesses as its core business.

Sumitomo Wiring Systems was established as an electric wire manufacturer in 1917 during the foundation period for industries in Japan. With the development of the car industry in Japan following World War II, we started producing wiring harnesses and parts for automobiles. Since then, SWS has focused on rationalizing wiring harness production while implementing quality assurance and reducing costs. We have now become a top wiring harness supplier in Japan and across the world. We will continue to advance as a world-class partner for automotive manufacturers.

Company Name: Sumitomo Wiring Systems, Ltd. Established: December 1917 President[,] Osamu Inoue Capital: 20.042 million ven (as of March 31, 2015) Head Office: 5-28 Hamada-cho, Yokkaichi, Mie, Japan Affiliates: 13 in Japan, 101 overseas 12.977 in Japan. 227.943 overseas Employees: 240.920 in total (as of March 31, 2015)



Number of Employees Worldwide



Our Products

As a global supplier, we manufacture and sell wiring harnesses and components for automobiles, wiring harnesses for office equipment, and diverse cables around the world.

Wiring Harnesses for Automobiles

Running throughout the entire vehicle, automotive wiring harnesses relay information and electric power, thereby playing a critical role in connecting a variety of components. They comprise a circulatory system, comparable to main arteries and central nerves in the human body. As cars continue to include more advanced functions, their component parts increasingly require electronics to save space and meet other requirements. These wiring harnesses created by Sumitomo Wiring Systems can be efficiently designed and configured by experts and contribute tremendously to the development of car manufacturers around the world

Products for EV/HEV/PHEV

Sumitomo Wiring Systems is aggressively developing technologies with "environment" as the keyword. This commitment can be seen in our products for increasingly common electric vehicles, hybrid vehicles and plug-in hybrid vehicles. We offer a line of original products to meet customer needs





Under-floor pipe harnesses Power cable





Aluminum Wiring Harnesses

Connectors

In their role of connecting wires and cables within vehicles, connectors must function in environments with severe temperatures. vibrations, water, electromagnetic interference and other conditions. With



the greater incorporation of information technology, we have developed diverse configurations of connectors and other components that connect wires to GPS, TV sets and other wave receiving devices.

Electronics

While naturally functioning as a means for transport, cars have more recently included navigation systems as well as audio and other entertainment functions. We are actively developing a variety of components required for car electronics, with many superior products to choose from.





Other Harnesses



Gateway

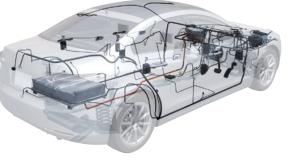


wheeled vehicles





equipment



Cable

Main harnesses

Wiring harnesses consist of a bundle of wires, with each wire responsible for carrving the electric signals and energy used for starting the engine lighting, meters and other vehicle devices.

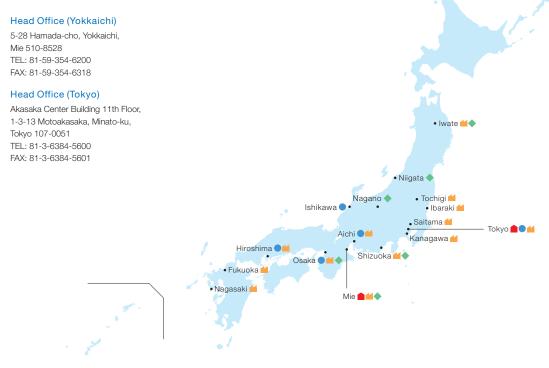


Aluminum Electric Wires

04

Global Business Development

DOMESTIC NETWORK



Japan: 13 corporations | 📤 Head Office 🔹 Sales Offices / Branches 🞽 Production Facilities / Offices / Centers 🔷 SWS Group / Affiliates

GLOBAL NETWORK



China: 27 corporations | Asia and Oceania: 31 corporations | Americas: 11 corporations | Europe and Africa: 32 corporations

H Manufacture of harnesses = Manufacture of electric wire 🔺 Manufacture of components and electronics 🔍 Technical Centers O Sales companies 🞽 Holding companies, etc.

Basic Principles of the Sumitomo Wiring Systems Group

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



Basic Principles

The Sumitomo Business Spirit

The origin of the Sumitomo Business Spirit dates back to "Monjuin Shiigaki" (the Aphorisms of Monjuin), which was written by Masatomo Sumitomo, the first-generation head of the House of Sumitomo. This corporate spirit has been handed down as the family motto throughout Sumitomo's history. The SWS Group also positions the Sumitomo Business Spirit as its top business philosophy.

Article 1 states that Sumitomo's business should be based first and foremost on the valuing of trust.

The first part of Article 2 clarifies that Sumitomo should pursue profit by responding quickly and appropriately to changes in society. It also emphasizes the importance of positive, progressive spirit in continuously taking decisions on the adoption or abolition of business projects, without being complacent about existing business conditions. The latter part of the article, however, strongly admonishes us against acting rashly and carelessly in pursuit of easy gains, which refer to short-term, immediate profit and unfair profit obtained by unethical means.

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.

Sumitomo Wiring Systems Group Basic Principles

By our slogan "Connect with the Best," we also mean to make all the connections surrounding us, along with the connecting roles that our products play, prevail over our competition in the best way. Sharing the basic principles as our common view, we will perform business with strong will and enthusiasm.

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.



The Sumitomo Business Spirit

Sumitomo Wiring Systems Group Basic Principles

Action Guidelines and Standards

Sumitomo Wiring Systems Group Charter of Corporate Behavior

Codes of conduct and guidelines for executives and employees

SWS WAY Better Manufacturing Developing Better Manufacturing

by Developing Better People

Values and methods regarding our approach and attitude to work

Sumitomo Wiring Systems Group Charter of Corporate Behavior

Established in 2006 and revised in April 2013, the Sumitomo Wiring Systems Group Charter of Corporate Behavior defines the codes of conduct and guidelines for executives and employees. In addition to English, the Charter has been translated into Chinese, Vietnamese, Thai, Khmer, Indonesian and Portuguese and is distributed to SWS Group employees worldwide as concrete guidelines and rules that are expected to be followed.

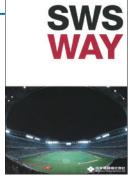
Based on the "Sumitomo Business Spirit" and "Sumitomo Wiring Systems Group Basic Principles," the Sumitomo Wiring Systems Group shall contribute to the progress of the sustainable global community through business prosperity and continuous growth, and aim to be a business entity trusted by international society and stakeholders.

We, the executives and employees of the Sumitomo Wiring Systems Group, shall regard the "Sumitomo Wiring Systems Group Charter of Corporate Behavior" as specific guidelines and conduct ourselves in accordance with the Charter to fulfill these corporate principles.

Provision of excellent products and services	We shall provide excellent products and services that are socially useful and safe to satisfy customers in all aspects including quality and costs.
Development of new, original business and products	We shall devote ourselves to developing new, original, profitable business and products by understanding the customers' needs and demonstrating our surpassing creativity.
Global business expansion, and growth and development of the Group	We shall always engage in business from a global point of view, and strive for continuous growth and development of the Group, fully utilizing the dynamism of our group management.
Consideration for global environment	We shall act in a voluntary and proactive manner for global environment preservation, and contribute to the establishment of a sustainable society.
Observance of laws and regulations	We shall strictly observe domestic and international laws and regulations, and always act fairly and openly.
G Fair and appropriate business activities	We shall promote fair, transparent, free competition and legitimate trade.
Action with awareness as members of society	We shall act with awareness as members of society to create a better society, and make great contributions to society.
Harmony with international society	We shall aim to be a global company trusted by international society.
Establishment of pleasant working environment and cultivation of personnel	We shall protect human rights, respect individuals, make an effort to create a bright and energized working environment, and stimulate the personal growth of each individual.
Appropriate information disclosure and promotion of communication	We shall strive to build and develop a trusting relationship with communities through appropriate information disclosure and promotion of communication.

SWS WAY

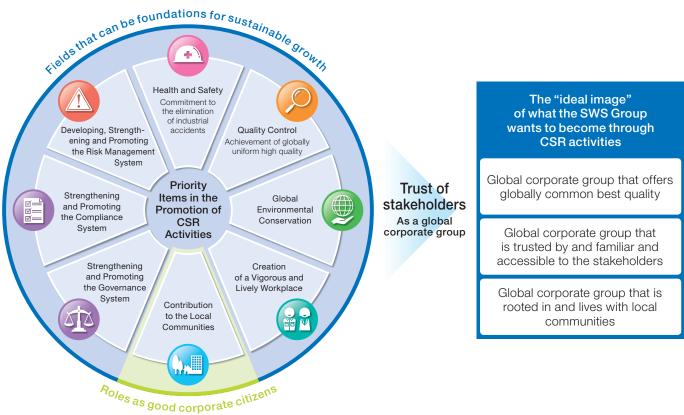
To propel our operations toward the same goal as our businesses expand across the globe, the SWS WAY was formulated in 2005. These action principles ensure that the "DNA" of our concept of work, as well as the approach and attitude to work handed down through our history, is shared with all SWS Group employees. The eight-page SWS WAY booklet has been translated into 24 languages and distributed to 230,000 employees including executives in 34 countries. It consists of seven chapters comprising 30 sections that cover a broad range of topics. All employees will strive to deepen their understanding of its content, which encourages daily discussion about operations in regard to adherence to the SWS WAY. Moreover, it is open to different perspectives and therefore allows for the addition of new key aspects so that it can evolve.



CSR Management

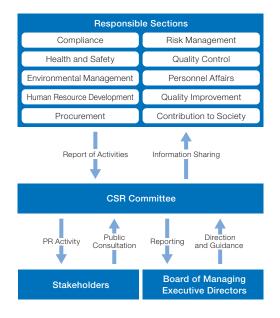
CSR of Sumitomo Wiring Systems

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.



CSR Promotion Structure

We are moving ahead with activities led by the CSR Committee, which was established in May 2010 and is chaired by the director in charge of general affairs. The committee's activities include conducting public relations and public consultations. The needs and information obtained from these activities are reflected in the action plans.





Feature 1

Partnering with Those with Mental or Physical Challenges to Create a Lively Workplace

The Sumitomo Wiring Systems Group strives to employ diverse human resources and create a workplace where employees can work with vigor and enthusiasm by maximizing their individual capacities. SWS Smile is a special subsidiary we established in 2013 to promote the employment of those with physical or mental challenges.

>>> Please see pages 25 to 28 for a status report on the "Creation of a Vigorous and Lively Workplace."



Background and Significance of SWS Smile, Ltd.

In May 2013, the SWS Group established its special subsidiary SWS Smile, Ltd. to promote the employment of persons with physical or mental disabilities, while at the same time reinforcing our support system for various abilities with due consideration for the working environment. SWS Smile, Ltd. was certified as a special subsidiary in accordance with the Disabled Persons Employment Promotion Act in October 2013 and recognized as a member of the Group in the following December to be included in the Group's overall disability employment rate.

SWS Smile strives to create a lively, comfortable workplace focused on its themes of "Safety," "Greeting" and "Smile." The company is developing an environment that enables employees to do their best by improving facilities and equipment in an optimal workplace layout.

SWS Smile, Ltd., Special Subsidiary of the Sumitomo Wiring Systems Group				
Head office	In the Tsu Plant of Sumitomo Wiring Systems (Ninomicho 530-1, Tsu, Mie)			
Capital	50 million yen			
Investment ratio	Sumitomo Wiring Systems: 92%; four affiliates: 8%			
Established	May 29, 2013			
Representative	Hisao Aimatsu, Representative Director			
Description of business	Recycling (disassembly and sorting of wire harness parts), cleaning packing boxes (cleaning shipping cases of wire harness parts), and miscellaneous services			
Employees	 37 (as of June 2015) Breakdown: Employees with intellectual disabilities: 19 (including 7 persons with severe impediments) Employees with learning or mental disorders: 8 Support staff: 10 			

Business Philosophy

Purpose of Establishment

As a member of the Sumitomo Wiring Systems Group, SWS Smile strives to contribute to society by actively employing those with physical or mental challenges and to foster a corporate culture in which people with diverse backgrounds can work together.

Company Slogan

Go to work and come home in good spirits! Safety, Greeting and Smile

Efforts Focused on "Safety," "Greeting" and "Smile" (excerpts)

Safety

- Enhance a safety mindset (safety declaration and confirmation of monthly assessment)
- Wear protective equipment (safety goggles, antistatic safety shoes, gloves, etc.)

Greeting

- Always greeted in the morning and at end-of-day assemblies
- Cheerfully greet customers and guests

Smile

- Participate in various events and hold recreational activities
- Psychological guidance by job coaches who circulate through the site

Syouya Yamaoka (Group 1, Operations Department)



I separate disassembled parts by type in cooperation with other members of the group. The work is sometimes burdensome, but I have companions to share the joys and hardships. I do my best in my current job and want to try other jobs.

Mai Okude (Group 1, Operations Department)



I am in charge of separating disassembled parts, mostly parts of samples. The workplace is clean and my coworkers are very friendly. I'm happy that I can work in this comfortable environment. Because there are many types of parts, I separate them very carefully. I will continue to work hard.

Motoshi Komiya (Group 2, Operations Department)



I am in charge of cleaning and transporting packing boxes to be reused. The company has a very congenial atmosphere. We sometimes join in karaoke during lively welcome parties, Christmas time and other recreational activities. Cleaning work requires physical strength. I put my all into tackling my current assignments.

Yoshihito Sanada (Group 2, Operations Department)



I am cleaning packing boxes and checking for missing parts, etc. Cleaning 400 to 500 containers every day is not easy, but it's a worthwhile job. I feel joy in joining SWS Smile and working as a member of society. In the future, I want to also work with personal computers.



Voice

Working to Create a Workplace in which Employees Can Experience Growing Every Day

SWS Smile was established in the Tsu Plant of Sumitomo Wiring Systems in May 2013 as part of the Group's effort to promote the employment of persons with physical or mental disabilities. SWS Smile is the first special subsidiary of a private manufacturer in Mie Prefecture and represents a socially significant step toward expanding job opportunities in the provinces. As symbolized by the company name, our key word is "smile." Employees are very lively and work with enthusiasm. Also, they are actively participating in social interactions in and outside the company, including various events and donation activities organized in the Tsu Plant. Since becoming president, I have been thinking about the growth of our employees. I want to create a workplace in which employees can experience growing, not only as workers but also as members of society, by learning leadership, teamwork, an attitude of contributing to projects and other things through their jobs. Looking ahead, I want to widen the range for applying their skills and provide broader opportunities for growth by expanding our business into services associated with the business of Sumitomo Wiring Systems.



Hisao Aimatsu Representative Director and President

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New Solutions to Challenges – Athletic Meets, Festivals and Other Initiatives

Feature 2

The SWS Group is holding athletic meets, festivals and other events to address the rising interest in events that provide opportunities for employees to get together and interact. Here are a few representative activities that open up communication and create a vigorous and lively workplace.



Purpose and Process for Holding Events

The SWS Group Athletic Meet was held in Yokkaichi in fiscal 2012 and fiscal 2013 in response to the increasing requests from employees for opportunities to meet and get to know each other. The meet reinforced a sense of solidarity and opened communication channels, which further energized our workplace. Building on the success of the meet, the company and the union discussed and held more events in each area in fiscal 2014.

In the Kanto region, the SWS Group Kanto Sports Festival was held with the participation of over 600 employees and family members in June. In addition to standard events such as tug-of-war and relays, executives participated in obstacle courses and a city mascot character appeared to round out a richly varied program. The wonderful event brought smiles to the faces of employees and families alike. In addition, a bowling tournament was held in the Yokkaichi area from October to November. A total of 572 participants in 161 teams engaged in lively competition.

We also held festivals at the Tsu and Suzuka Plants in September and November, respectively. Over 1,000 participants were drawn to each location by a variety of activities, including employee-run refreshment stands, sports events, yosakoi dance and professional stage performances. The exuberant energy of the festivals refreshed and revitalized employees through laughter and physical activity, while encouraging communication within the division as well as among families.

The company plans to hold another SWS Group Athletic Meet in fiscal 2015. We intend to promote the creation of a vigorous and lively workplace through events that bring employees together to have fun and develop resilient social bonds.

FY2015		SWS Group Athletic Meet scheduled in September (2,644 participants, including family members)
FY2014	NovemberSuzuka Plant Festival (1,906 participants, including family members)October to NovemberHead Office/Yokkaichi Area Bowling Tournament (572 participants in three sites, held over 6 days)SeptemberTsu Plant Festival (1,000 participants)	
FY2013	June	SWS Group Kanto Sports Festival (over 600 participants) SWS Group Athletic Meet
FY2012		SWS Group Athletic Meet

Schedule of Exchange Events for Employees

Three members of the executive committee of the SWS Group Athletic Meet held in September 2015 gathered to talk about the purpose and impact of the event, including personal observations and reflections on related matters. (The round-table discussion was held in August 2015.)

----- What are the purpose and significance of the SWS

Group Athletic Meet?

Inaguma: The concept behind the 2015 SWS Group Athletic Meet is "Challenge Together." Compared with the past two athletic meets, this event will have a stronger focus on solidarity. Imazu: This year's event will replace the previous inter-division competition with inter-site competition. The aim is for people from the same workplace to cooperate in various games and forge a sense of solidarity.



Wataru Inaguma Production & Quality Department 3, Production & Quality Management Division, Western Customers Group Division 2

Goshi: In addition, employees

themselves are planning and managing their own athletic meet. Most of the committee members are in their 20s. There is a sense of oneness in that young people are taking the lead to make the meet a big success.

— What did you experience as a member of the committee?

Inaguma: I felt satisfaction in planning the program. Committee members bounced ideas off each other and exercised their ingenuity to make the games a uniquely

Sumitomo Wiring Systems event. **Goshi:** There is a rich variety of games, including multiple-choice quizzes about Sumitomo Wiring Systems, serious relay matches and an obstacle course race for corporate

officers. I think we have a very good

corporate culture in which we feel

close to officers.

Yuma Goshi Production Control Department, Components Group

number of family members to come to the meet, we are considering booths with popular local foods and fair stalls for children.

Imazu: Attracting participants is a major challenge but, to my pleasant surprise, low-key efforts such as putting up posters, handing out flyers and asking for participation at morning assemblies have expanded the circle of participants.

— What are the impacts of athletic meets?



Imazu: Last year, I observed generational peers I rarely met before playing important roles during the athletic meet and thought I would do the same next time. Participation in itself strengthens employee motivation.

Miyuki Imazu Tsu Plant

Goshi: I think we can foster teamwork through sports. Having an entire team

working together to achieve the same goal will directly strengthen teamwork on a daily basis. Athletic meets also provide opportunities for us to talk to people with whom we have no work relationship.

Inaguma: You are right. Even talking about athletic meets stimulates communication and contributes to the creation of lively and vigorous workplaces.

Goshi: This round-table discussion has elicited a sense of commitment and expectation in me as an organizer. I hope this meet will be memorable for participants as a nice autumn day event.

Imazu: I hope participants will want to join in again next year to carry forward the success of these events.



Inaguma: To encourage a large

Voice of an External Stakeholder

Restore Energy and Vitality to Society through Athletic Meets!

With the coming of age of IT, Japan has shifted from lifelong employment and promotion by seniority to a performancebased system, and the lack of communication in companies and decline in employee motivation have become social problems. In this context, athletic meets have started to attract attention as a solution to halt the deteriorating effect of turnovers and improve performance.

As employee benefit costs are reduced in a declining economy in the wake of the Lehman Brothers failure, more companies are replacing company trips with athletic meets as inexpensive one-day events that are more effective investments for climbing out of the recession.

The beauty of an athletic meet is that anyone can enjoy participating, regardless of age, gender or physical strength. Once an athletic meet has started, everyone can come together to compete in the games. Representatives from Sumitomo Wiring Systems, for whom we produced a meet, have told us they are observing positive outcomes. An athletic meet is particularly suitable for companies because everyone can participate, whether there are 100 or 1,000 employees.



Takaaki Yoneji

Representative of Japan Sports Communications

He established the company in 2007. The company takes on sports events, recreation, employee welfare and other projects under the slogan, "Revive Japan with Sports." He wrote "Athletic Meet Resolves Your Company's Worries!" (published in September 2014)

Strengthening and Promoting the Governance System

Strengthening and Promoting the Compliance System

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



Corporate Governance System

We adopted the Executive Officer System in June 2003 to accelerate decision making and enhance supervision and business execution.

The Board of Executive Managing Officers conducts preliminary reviews of key issues to inform the Board of Directors in its deliberations as the final decision-making authority. Two corporate auditors audit the business execution performance of the directors at SWS. The auditors attend Board of Directors meetings and other key meetings and also exchange information with the Internal Audit Department and accounting auditors to reinforce the effectiveness of our auditing.



We established a compliance manual in 2005 to augment our compliance system with 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. Meetings of the Compliance Committee, chaired by the director 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.

Bribery prevention in Japan and overseas remained our priority in fiscal 2014. We developed a global system by assigning 42 managers who were charged with preventing bribery in 37 Group companies in 12 countries. We will continue to strengthen control over Group companies.

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. To that end, we actively engage in compliance training and education tailored to the characteristics of each workplace.

In fiscal 2014, we provided two sessions of new harassment prevention training to increase awareness for 198 general managers and assistant general managers.



Group-wide Management Activities

CSR Committee	Compliance Committee
Risk Management Promotion Committee	Information Security Committee
* *	0 0 0



Compliance training

Compliance Training (Fiscal 2014)

Type of Training	Number of Sessions	Number of Participants
Training for New Employees	4	286
Training for Mid-career Recruits	13	71
Position-based Training	12	651
Optional Training	9	238
Compliance Training on Competition Law	1	760
Harassment Prevention Training	g 2	198
Other	16	427
Total	57	2,631

Contacts for Compliance Reporting

Contacts for compliance reporting were established in 2005 to promptly identify and correct any incidents of legal or ethical non-compliance. Reports of noncompliance are mainly investigated and handled by the Legal Affairs Department, which serves as the Compliance Committee Secretariat. In 2008, we also established an external contact to facilitate intervention by our corporate legal counsel.

In fiscal 2014, 12 incidents were reported, investigated and appropriately addressed.

CSR Procurement

Sumitomo Wiring Systems is closely collaborating on the global stage with suppliers who are valued business partners by emphasizing openness, fairness and equitability under our procurement policy. In February 2015, we partially revised our basic transaction agreement by adding clauses on CSR procurement and exclusion of antisocial forces. We have also distributed our CSR Guidelines for Suppliers, which clearly state our expectations and requests, to our main suppliers and have been keeping them informed. Internally, we have assigned officers in each division to be responsible for enforcing compliance with the Subcontractor Act to ensure education and to raise awareness of CSR procurement.

Communication with Suppliers

Sumitomo Wiring Systems convenes an annual Global Suppliers Meeting to report on the business environment and its procurement policies in an atmosphere of mutual trust. At our April 2015 meeting, a total of 276 participants from 156 companies attended a presentation on our procurement policy and quality control efforts as well as an award ceremony recognizing the outstanding suppliers of fiscal 2014.

We also set up "Sumitomo Wiring Systems Group Contacts for Compliance Reporting," where suppliers can consult with the Compliance Committee Secretariat of the Legal Affairs Department, which operates separately from the Material Procurement Departments.

Increasing Risk Awareness of Suppliers

In fiscal 2014, we implemented the promotion of countermeasure to secure the continued supply of components in times of crisis as well as awareness-building activities for our suppliers by utilizing the results of the disaster countermeasures survey of suppliers conducted in the previous year. We also implemented a number of in-house measures, including the development of a restoration manual and education and training.

Compliance Reporting



Procurement Policy

Our procurement activities reflect our commitment to "Connect with the Best" and are conducted under the following policies:

- Provide open and fair opportunities
- Adhere to basic principles of mutual understanding, mutual reliance and mutual enlightenment
- Stablish global partnerships
 - 4 Ensure legal compliance
- S Promote green procurement



VOICE

Global Suppliers Meeting



Offering Products of Stable Quality across the Globe by Enhancing Manufacturing Skills

Nobuaki Isono Kobe Steel, Ltd. Executive Officer responsible for the copper flat-rolled product line in the Aluminum & Copper Business, Manager of Chofu Manufacturing Center

Our New Reflow Plating and copper alloy received the VAVE Prize in a supplier meeting held in April 2015. We will continue to advance the development of personnel and manufacturing in our production sites in and outside Japan, including those in three Asian countries, to ensure the continuous supply of high quality copper flat-rolled products that are reliable and meet your requirements. In addition, we will establish a system under the SWS WAY to support the international application of our products by extending licensing agreements to two Western companies in the same business, so that we can be of further assistance in your global business operations.

Developing, Strengthening and Promoting the Risk Management System

We are strengthening our internal Group system to build a robust organization founded on all-inclusive risk management.



All-Inclusiv

Risk

Management System Risk

Communication

Preventive Risk

Management

Five Major Risk Management Areas

Overseas

Safety

Measures

Crisis

Managemen

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 where we will make comprehensive efforts under our corporate risk management system.

Group-wide committees and individual committees Risk Manager in each division and each company Risk Management Staff in each department Sharing information about issues associated with crisis situations
Disseminating risk management policy throughout the SWS Group Gathering risk management information and accumulating related expertise Disseminating risk management information by clarifying responsible entities and staff
 Reducing and preventing risk (proactive measures) Formulating risk manuals (emergency response plans) Strengthening the risk management perspective in daily decision making Information security measures
 Strengthening response capabilities in crisis situations Holding simulated training events such as on-site emergency drills BCP formulation and actuation drills Operational drills for Countermeasures Headquarters
Compiling overseas risk information and response expertise Strengthening the ability to transmit information overseas Strengthening emergency response capabilities (Overseas Safety Measures Committee)

Risk Management Promotion System

Under our Risk Management Promotion System, the Business Continuity Subcommittee of the Risk Management Promotion Committee discusses and examines specific issues. Risk management efforts are promoted by risk managers assigned for each division and company and by risk management staff in each department. In addition to daily risk management activities, these designated staffs also work together to address crisis situations.

In fiscal 2014, risk managers took the initiative to update the Risk Management Guidelines and reported on the implementation of risk control measures so the corporate BCP could be revised. After each division identified, analyzed and evaluated their risks, we were able to implement countermeasures for 148 risks.

Information Security Measures

We recognize the importance of proper protection and management of information assets in our operations and have established the Standards for Information Security Countermeasure, which defines our organization and information management methods for ensuring the security of information based on our stance stated in the Information Security Policy. In our strengthened information management system, countermeasures are quickly executed in the case of an accident after they are deliberated on by the Information Security Committee.

Structure of Risk Management Promotion

Risk Management Committee

Risk Management Promotion Committee

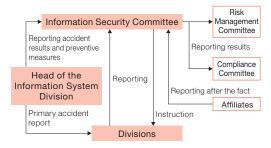
Chair: Director in charge of Personnel and General Affairs Members: 24 risk managers Secretariat: General Affairs Division

Business Continuity Subcommittee

Chair and 17 risk managers Secretariat: General Affairs Division

Departmental risk management staff (total of 191)

Information Security Management System



Strengthening the SWS Group BCP

As part of our risk management efforts, we have established a business continuity plan (BCP) that is periodically reviewed to sustain key operations even in the event of a major earthquake or outbreak of a new influenza. We have also implemented additional actions, including the conducting of evacuation/disaster drills assuming a major Nankai Trough earthquake and the compilation and distribution of a tsunami evacuation manual to employees.

Since 2010 we have been repeatedly holding disaster map exercises to confirm a quick response capability based on our risk management manual and BCP.

In fiscal 2014, we extended emergency teleconference lines and opened new emergency contact e-mail addresses to avoid overwhelming the emergency teleconference lines and satellite phones and have implemented map exercises for initial response and restoration to test these channels. We conducted more than forty of these disaster map exercises during the year.

In parallel with these efforts, we surveyed and interviewed our suppliers to identify those that exert a significant impact on our production and supply. Also, we strengthened emergency countermeasures to enhance risk management capabilities across the entire supply chain.

Analysis and Countermeasures for Global Risks

Sumitomo Wiring System operates businesses in more than 30 countries around the world, which exposes the company to risks such as natural disasters and severe weather conditions, political risks such as social instability and public unrest, and labor risks such as strikes, requiring us to carefully consider a number of scenarios and countermeasures.

We have therefore created a system for rapidly sharing information worldwide and are currently developing a prompt response mechanism whereby we will be able to quickly collect and sort information that may help us to understand how our business may be affected and then disseminate it to Group locations around the world. In our wiring harness business we have developed our "Bridge Production System," which enables us to simultaneously produce the same products at several different plants. Even if production is suspended at any of our overseas sites, other sites would be able to pick up the slack. Several alternative production sites and global logistics routes have been determined as part of our preparation for making quick decisions in times of crisis.

Looking ahead, we will develop a system that enables all affiliates to work in concert in order to meet customer requests with due consideration for their respective business scale and content, and we will document our BCP to further strengthen Group management.

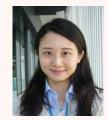
Toward Fiscal 2015

Up to now we have focused on responding to large-scale earthquakes and new influenza strains. In particular, we formulated our BCP and conducted map exercises assuming a huge Nankai Trough earthquake, while intensifying other activities, including the compilation of a new influenza response manual.

With an awareness of disaster prevention instilled through these activities, we set fiscal 2015 goals for strengthening countermeasures and enhancing activities to address the overall risks of the Group.

We will therefore strengthen our initiatives to address risks identified by individual workplaces, enhance the monitoring of their progress and conduct drills.

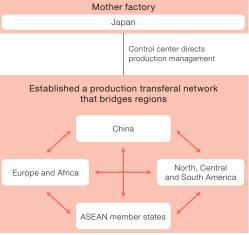
VOICE



Contributing to the Establishment of a System to Ensure the Stable Supply of Components

Asako Ochiai Procurement Planning Department. Procurement Management Division

I provide training as the person responsible for risk management in the procurement division. The response capabilities of department managers and persons in charge are put to the test in times of crisis. Every year, we plan education programs and simulation training to bolster the response capabilities of individuals. In fiscal 2015, we conducted education and restoration training with special consideration for handling dangerous intake components for 110 employees in and outside the department. We will continue to periodically offer this training. I hope to contribute through this effort to the establishment of a system that will ensure the stable supply of components to customers.



Global "Bridge Production System" for Times of Disaster

Priority Tasks for Fiscal 2015

Priority Tasks	Activities
1. Response to a broad range of risks	 Strengthen daily activities to prevent materialization of risks surrounding the Group through the PDCA cycle of their (1) identification and analysis, (2) evaluation, (3) countermeasures and (4) monitoring, and to mitigate and minimize risks that have nevertheless materialized.
2. Strengthen the BCP	 Establish an organization for quick restoration by preparing a restoration manual Continue efforts to achieve higher levels and ensure consistency by promoting inter-company and cross-divisional collaboration, including (1) Strengthen supply chain management (2) Set up earthquake and tsunami countermeasures for facilities; establish multiple means for communication



We thoroughly comply with the "Safety is our top priority" philosophy and perform comprehensive health and safety activities to ensure that employees can work with a sense of security.



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 at right.

Global Industrial Accident Statistics

Since we started compiling global industrial accident statistics in 2005, we have been working to unify disparate national standards by standardizing commonly used injury level definitions in order to facilitate comparative analysis. Although no industrial accidents occurred in Japan in fiscal 2014, eight took place at overseas sites, which nevertheless marked an improvement over last year for both accidents resulting in lost work time and no lost work time. We will take further actions to address industrial accidents worldwide.

Strengthening the Global Health and Safety Management System

To achieve zero risks both in Japan and overseas, the SWS Group is implementing various measures in regard to systems, workplace environment, equipment and personnel. With the second year of the "zero risk" initiative that started in fiscal 2013, we entered a phase for establishing and distributing global safety standard documents and building a system to prevent recurrence. This involves prioritizing companies based on occurrences of industrial accidents to strengthen the foundation of safety management, while at the same time introducing ingenious workplace improvement initiatives taken by model plants in Japan to our overseas sites through workshops held in Europe, the Americas and Asia. In November 2014, a global zero risk training session was held in the Yokkaichi Plant for seven safety officers from five countries in Europe and North America and four in Asia.

In addition, a leading company that had participated in training in Japan provided a safety model plant for a training session to prevent industrial accidents by eliminating unsafe conditions and actions in each local company. A total of 78 people participated from 31 companies in eight Asian countries including China. We used the behavioral mapping method, interactive safety patrol (SCOP), confirmation of model activities and other on-site practices to encourage individual employees to become more aware of safety by recognizing characteristics of their hazard perception and risk-taking behavior.

Safety Activity Policy



Number of Global Industrial Accidents

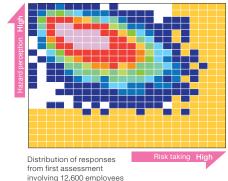


F12009 F12010 F12011 F12012 F12013 F12014

*1 Accidents resulting in lost work time (injuries involving partial or temporary functional decline and requiring ongoing medical treatment) *2 Accidents resulting in no lost work time (injuries requiring short-term medical

treatment)

Behavioral Mapping



Note: A higher hazard perception (level of sensitivity to risks) and lower risk taking (level of willingness to take risks) indicate better safety awareness.



"Workshop for achieving Zero Risks II" in PILIPINAS KYOHRITSU INC. in the Philippines

Ouality Control Achievement of globally uniform high quality

In light of our global production system encompassing more than 30 countries, we are continuously striving to ensure uniformity in the Group's quality control efforts.



Quality Policies

Fiscal 2014

Vision 2017: Establishing a "Zero Complaints" System

- Developing designs, processes and mechanisms that preclude defects
- Oultivating on-site capabilities for pre-emptive management and recognition of quality-related problems – change point management, anomaly management, management of compliance with standard operating procedures
- Strengthen response to customer needs

"Assurance of Each Process" Activities

The SWS Group has been placing high priority on actions for improving quality to achieve zero quality defects. The "Assurance of Each Process" activity lies at the foundation of this effort. Its aim is to put into practice our commitment to the principle "The next processes are our customers" by creating designs, processes and products to preclude defects and eliminate them before they reach the next stage. The design division creates designs that eliminate any element that could cause a defect in quality before the product is made. The manufacturing technology development division establishes processes that preclude defects as well as processes for quickly identifying and eliminating defects before a product reaches the next stage. Moreover, activities undertaken by the manufacturing division stringently adhere to procedures in place for ensuring that defects do not occur in regard to any change point.

In fiscal 2014, we worked to create drawings and processes that preclude defects of new car models and products starting from the stage of their development. As a result, there were no quality problems in new products, which improved customer satisfaction. In fiscal 2015, too, we will fully enforce measures for new car models and products, and will also develop models of overseas complaint reducing activities while setting the improvement of the guarantee level in ACT2 as the priority theme.

Earning the Respect of Our Customers

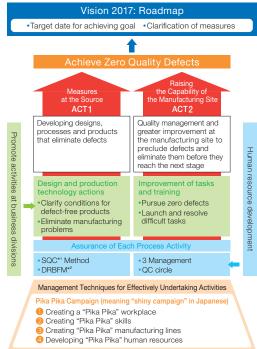
As manufacturing professionals, we have consistently sought to provide high quality products over the years that earn customer trust. This has resulted in fewer complaints and a lower complaint index every year as well as the high regard of our customers around the world. Moreover, we received 27 awards for our products in seven countries in fiscal 2014. Advances in technology and diversifying assessment criteria have led to increasingly demanding customer requirements. Nevertheless, we remain committed to delivering products that consistently merit the trust of our customers.

Fiscal 2015:

Promote "Establishment of a structure for Zero Defects" and work together to achieve "Zero Complaints" under Vision 2017!

- 1 Pursuing top quality in the world for customer satisfaction
- 2 Developing designs, processes and mechanisms that preclude defects
- Strengthening on-site capabilities for pre-emptive management and recognition of quality-related problems

Priority Actions Related to Quality Improvement



*1 SQC: Statistical Quality Control

*2 DRBFM: Design Review Based on Failure Modes

Number of Awards Received in Fiscal 2014



Quality Management System and the Pika Pika Campaign to Achieve Globally Uniform High Quality

Application of the SWS Group Quality Management Standards to our Sites Worldwide

To achieve Globally Uniform Best Quality, we have compiled quality requirements for every process, from product development, production and shipping to aftersales services, into the SWS Group Quality Management Standards for application to our sites worldwide.

The SWS Group Quality Management Standards incorporate the Group's expertise in addition to ISO 9001 and customer quality requirements. To ensure effective implementation worldwide, we unified terms based on international standards and prepared and distributed the "SWS Group Quality Management Standards Guidance" to the sites of each country. In addition, internal auditors of each site periodically conduct audits to confirm compliance with the SWS Group Quality Management Standards.

We deliver the best quality products through these efforts under the "Management System for Globally Uniform High Quality."

Promoting PK Evaluation Activities (Pika Pika Campaign)

We promote our Pika Pika Campaign across the globe under the slogan "Provide Globally Uniform Best Quality to customers worldwide from every site" to improve quality and develop human resources by disseminating our basic principles of manufacturing.

Part of the campaign calls for PK Evaluations, in which PK evaluators are annually assigned from the head office to visit about 100 plants in about 30 countries to jointly review and evaluate processes with local employees. The evaluators are experienced core employees, including some who have worked

Electric Wire Division

overseas and former factory managers. The evaluation includes more than 1,000 items specifically related to production systems and processes.

The evaluators directly communicate to the employees on site that even a single small foreign particle gaining entry into a product during production could lead to a malfunction. Evaluation content is raised to a higher level every year in light of previous problems and improvements so that every plant maintains peak operations.

Skill Olympic Games, a Competition on Manufacturing Skills

The exciting Skill Olympic Games sees representatives of the SWS Group's manufacturing sites from around the world compete with world-class skills. The competitions, involving skills related to manufacturing and quality, are held to further enhance capabilities and foster awareness at each Group company and of each employee. In fiscal 2015, overseas bases enthusiastically participated as well, with the event affording a lively opportunity for raising the skill level of the Group and facilitating a global communication exchange.

Electronics Division



Harness Components Division Wire Harn

Wire Harness Division

Wire Harness Division contestants





PK Evaluation in Morocco



PDCA Cycle of Quality Management



Global Environmental Conservation

Sumitomo Wiring Systems recognizes its significant impact on the environment and will continue working toward realizing a sustainable society in harmony with the environment.



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 Management System

A total of 66 sites fall under the control of our environmental management system (EMS) in Japan, which includes 35 sites that represent organizations certified under ISO 14001 and 31 small-scale logistics sites and sales offices that are not part of ISO 14001-certified organizations. The scope of our environmental activities overseas encompasses 58 companies*. We are seeking to further develop environmental conservation activities at these sites and companies.

We conduct environmental audits to verify that the environmental management systems of the SWS Group in Japan are properly operated and maintained in compliance with ISO 14001. In fiscal 2014, there were four internal audit findings and no external audit findings. We have rectified the indicated issues and are improving the system to ensure proper operation. In addition, we have adopted position-based training programs to help employees understand our environmental conservation activities and apply them in their work. In fiscal 2014, the cumulative total of participants reached 11,707.

* Manufacturing companies in which the SWS stake exceeds a certain level.

Status of ISO 14001 Certification

Eight Group companies in Japan, which are Sumitomo Wiring Systems, Ltd. and seven subsidiaries, have obtained ISO 14001 certification. Including the three overseas Group companies that recently obtained ISO 14001 certification, 40 of the 58 companies have obtained certification.

Results of the Audits

ISO 14001 Registered Organization	Number of Sites*	Interna Resi	l Audit ults	Externa Resi	
		Findings	Notes	Findings	Notes
Head office and Yokkaichi area of Sumitomo Wiring Systems, Ltd.	6	3	33	0	6
Suzuka Plant of Sumitomo Wiring Systems, Ltd.	6	1	53	0	5
Eastern area of Sumitomo Wiring Systems, Ltd.	11	0	29	0	13
Western area of Sumitomo Wiring Systems, Ltd.	9	0	5	0	13
Sumidenso Platech, Ltd.	3	0	5	0	2
Total	35	4	151	0	39

* Implementing EMS activities under ISO 14001

Environmental Training Program

Environmental Training Program		Number of Participants	
Training Categories	Training Categories		
1. Introductory training	Training for new employees	468	
2. Training for recently transferred employees	Training for employees transferred from other regions and mid-career workers	673	
3. Refresher training	Training includes environmental fairs	9,528	
4. Environmental management training	Staff in charge of the EMS	146	
5. Environmental auditor training	Candidates for internal auditors	64	
6. Special environmental training	Training for qualified persons	125	
7. Training on significant environmental aspects	Applicable employees	498	
8. Other training	Training on waste disposal and awareness raising, etc.	205	
Total		11,707	

Number of Domestic Affiliates with ISO 14001 Certification Date of Certification Group Company

Sumitomo Wiring Systems, Ltd.	October 1997
Sumidenso Service, Ltd.	October 1997
S.D. Engineering, Ltd.	June 1999
Sumidenso Platech, Ltd.	September 2000
SWS West Japan, Ltd.	November 2000
SWS East Japan, Ltd.	November 2001
SWS Management Support, Ltd.	September 2002
Chuetsu Sumidenso, Ltd.	September 2007

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 2013, we introduced the Action ECO-21 campaign of Sumitomo Electric Industries, Ltd. to implement environmentally sound activities through our business. The campaign entered Phase VI in fiscal 2015.

Action ECO-21: Fiscal 2014 Targets and Results, and Fiscal 2017 Targets

Action ECO-21 Phase VI Targets (FY2015-2017, base year: FY2012)		FY2014 (last year of Phase V)			FY2017 (last year of Phase VI)
		Targets	Results	Evaluation	Targets
Prevention of global warming (CO₂ reduction)	Save energy globally (reduce consumption per unit of sales*')	Reduce by 8%	Reduced by 17.1%	0	Reduce by 20%
	Save energy in offices (reduce consumption per unit of floor area*2)	Reduce by 2%	Reduced by 0.0%	×	Reduce by 5%
	Reduce CO ₂ emissions from logistics per unit of sales (in Japan)	Reduce by 2%	Reduced by 10.6%	0	Reduce by 5%
Promotion of resource saving and recycling	Promote zero emissions*3 (in Japan)	0.3% or less	0.02%	0	0.3% or less
	Reduce absolute volume of waste (in Japan)*4	Reduce by 2%	Increased 18%	×	Reduce by 5%
	Promote zero emissions (overseas)	5% or less	9.2%	Δ	5% or less
	Reduce water use per unit of sales* ^s (in Japan and overseas)	Reduce by 2%	Reduced by 16.1%	0	Reduce by 5%
Reduction of harmful substances	Reduce VOC emissions* ⁶ (in Japan)	Reduce by 2%	Reduced by 31% (excluding Type 1 substances under PRTR*7)	0	-
	Reduce VOC emissions (overseas)	Reduce by 2%	Increased by 21%	×	_
Management of harmful substances contained in products	Discontinue use of harmful substances (comply with RoHS and ELV Directives)*8	Discontinue use in products (comply with the directives)	Discontinue use in products (maintain)	0	_
	Management of harmful substances contained in components	_	-	-	Ensure compliance with national and foreign laws
Expansion of environmentally conscious product range	"Eco Mind" registration ratio for new products	Register 100% of new products	43%	Δ	Register 100% of new products
	Increase ratio of environmentally conscious products* ⁹ in sales	More than 80%	73%		More than 90%
	(Reduce CO ₂ emissions with products that produce less CO ₂ emissions)	(4,000 t-CO2)	(10,400 t-CO2)	(0)	_

 \bigcirc : Target met \triangle : Target unmet (improved from previous year) \times : Target unmet (declined from previous year)

*1 Consumption per unit of sales = Crude oil equivalent of energy use / sales
*2 Consumption per unit of floor area = Crude oil equivalent of energy use / floor area
*3 Zero emission = (landfill + incineration) / Volume of waste (including valuable resources)
*4 Waste (excluding valuable resources)
*5 Consumption per unit of sales = Water use / sales
*6 Volatile organic compounds
*7 Pollutant Release and Transfer Register
*8 Compliance with the RoHS Directive (restrictions on use of specified harmful substances in electric and electronic devices) and ELV Directive (directive on used vehicles)
*9 Environmentally conscious products certified under the Eco Symbol Program of Sumitomo Electric Industries are also identified as "Eco-products."

Material Balance (in Japan)

Energy					Air
Energy Purchased electricity City gas LPG Heavy oil A Kerosene oil Light oil Water Water Water usuply Well water Industrial water Raw Materials	177 сwh 248,000 m² 480 t 384 кі 328 кі 0.4 кі 803,000 m² 249,000 m² 375,000 m² 179,000 m²	+	Production Recycling	+	Air CO: emissions 98,000 t-co. SFs* emissions (CO: equivalent) 30 t-co. PRTR-regulated substances 2.3 t Effluents 803,000 m² PRTR-regulated substances 0.02 t Disposal 0.02 t Wastes (exclude valuable resources) 1,900 t Material recycling 300 t Thermal recovery 1,600 t Landfill + incineration 1 t PRTR-regulated substances 3.2 t
Copper, aluminum Resins Chemicals PRTR-regulated substan	30,900 t 32,000 t ces 21.9 t				Recycling Valuable resources (including copper, copper alloys) 14,100 t PRTR-regulated substances 0.4 t

Prevention of Global Warming

Note: Data from past years have been corrected retroactively to improve accuracy.

SWS Group Greenhouse Gas Emissions (in Japan and Overseas)

The SWS Group acknowledges the urgency of taking action to prevent global warming and is moving forward in a concerted effort to establish Clean Factories. In fiscal 2014, overall Group greenhouse gas emissions were 368,000 tonnes.

Reduction in Per Unit Energy through Energy Saving (Manufacturing Companies in Japan and Overseas)

(FY2014 target) 8% reduction per unit sales from FY2012 17.1% reduction per unit sales from FY2012

Consumption of per unit energy at our manufacturing companies in Japan fell 17.1% from fiscal 2012 as a result of energy saving, thereby meeting the target.

We applied the energy-saving diagnosis conducted by the Sumitomo Electric Industries Group in multiple sites, including those overseas. The diagnosis clarified the status of candidate equipment for our focused energy-saving efforts. Looking ahead, we will share information on efforts made after the diagnosis along with related data.

In Japan, we continued the activities of the Special Subcommittee for Energy Saving, comprising the major energy consumers among our business divisions in fiscal 2014, as well as initiatives such as inspections by the Eco Club members of individual areas to monitor temperature settings for air conditioning and confirm that unnecessary lighting was being turned off, and participated in the Cool Biz and Warm Biz campaigns.

Reduction in Per Unit Energy through Energy Saving (Offices in Japan)

(FY2014 target) 2% reduction per floor area from FY2012 FY2014 result

0.0% reduction per floor area from FY2012

The target sites were the head office (operations began in May 2013) and several buildings of the Yokkaichi Plant.

Consumption of per unit energy at our offices in Japan fell 0.0% from fiscal 2012, falling short of our target. The increase is partly attributed to the expanded facilities in the non-manufacturing division of the Yokkaichi Plant.

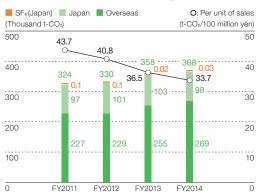
Reduction of CO₂ Emissions from Logistics (in Japan)

(FY2014 target) 2% reduction per unit sales from FY2012

10.6% reduction per unit sales from FY2012 FY2014 result

Emissions of CO₂ from logistics in Japan were reduced by 10.6% per unit of sales from fiscal 2012, thereby meeting the target. We increased the loading ratio and promoted modal shifts from trucking to rail transport.

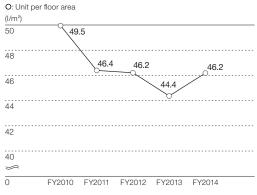
Greenhouse Gas Emissions in Japan and Overseas



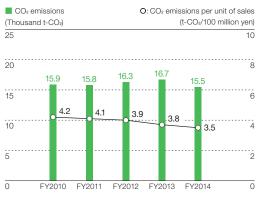
Reduction in Per Unit Energy through Energy Saving (Manufacturing Companies in Japan and Overseas)



Reduction in Per Unit Energy through Energy Saving (Offices in Japan)



CO₂ Emissions from Logistics (in Japan)



Resource Recycling and Control of Substances of Concern

Note: Data from past years have been corrected retroactively to improve accuracy.

Reduction of Waste (in Japan)

FY2014 target	Zero emission rate: below Absolute volume of waste:	0.3% 2 % reduction from FY2012
FY2014 result	Zero emission rate: below Absolute volume of waste:	0.02% 18% increase from FY2012

To ensure the effective use of resources, we strive for zero emissions (no landfill waste) at all sites. In fiscal 2014, the zero emission rate was 0.02%, thereby meeting the target. The absolute volume of waste (excluding the valuable resources in the bar graph to the right) further increased from fiscal 2013, partly due to temporal emissions. The rate of increase over fiscal 2012 was 18%. We expect to reduce the volume in fiscal 2015 by addressing major contributing factors.

Promotion of Zero Emissions (Overseas)

FY2014 targetZero emission rate: below 5%FY2014 resultZero emission rate: 9.2%

In fiscal 2014, the zero emission rate decreased as a result of the improvements in sites with a higher disposal to landfill rates. Thermal recovery from landfill waste was carried out in some Asian sites, while resin containing metal was used as a valuable resource in some European sites.

Control and Reduction of Substances of Concern

In fiscal 2012, we adopted a system of the Sumitomo Electric Industries Group at the Suzuka Plant of Sumitomo Wiring Systems, Ltd. to improve the management of substances of concern. We plan to introduce the system to other sites in Japan that handle large amounts of these substances.

VOC

VOC emissions decreased by 31% in Japan but increased by 21% overseas.

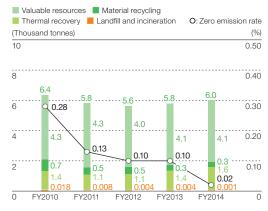
PRTR (in Japan)

The transaction amount of PRTR-regulated substances decreased by 13% compared to the previous year. Substances subject to mandatory reporting included antimony and its compounds, methylnaphthalene and xylene.

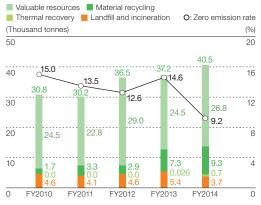
PCB (in Japan)

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.

Volume of Waste Disposed in Japan (Includes Valuable Resources)



Volume of Waste Disposed Overseas (Includes Valuable Resources)



PRTR-regulated Substances by Year (in Japan)



Environmentally Conscious Products

Increase in the Number of Certified Environmentally Conscious Products

- FY2014 target Registration rate as Eco Mind products: 100% Increase in ratio of environmentally conscious products in sales: over 80%
- FY2014 result Registration rate as Eco Mind products: 43% Increase in ratio of environmentally conscious products in sales: over 73%

The SWS Group launched the Eco Symbol Mark Certification System (environmentally conscious product certification system) using original criteria in May 2005 as a means for contributing to global environmental preservation through its products. A total of 43 products have been certified as of the end of fiscal 2014. The Eco Symbol Mark Certification Committee, chaired by the Corporate Environmental Management Officer, is responsible for the certification. The Special Environmental Subcommittee for Products established under the Corporate Environmental Management Committee has been the primary entity supporting certification. Thirteen items have been selected for environmental consciousness evaluation (emphasizing environmental items) under ISO 14021 (JISQ 14021) and self-declared environmental claims (Type II environmental labeling).

Although eight products were certified as environmentally conscious in fiscal 2014, the ratio of certified products to sales was 73%, falling short of our target. In Phase VI, starting from fiscal 2015, we will set the target for fiscal 2017 at over 90% of sales and register at least four products per year to further expand the range of our environmentally conscious products. Environmentally conscious products that contribute to society, particularly by reducing CO_2 emissions, are recognized as Anti-Global Warming Products of the Sumitomo Electric Industries Group, and we calculate their contribution to CO_2 reductions. In fiscal 2014, these products resulted in a 10,400 t- CO_2 reduction of CO_2 emissions.

Eco Mind Products

We are collaborating with the design division on a system for conducting environmental assessments and registering the results when developing new products or undertaking major design changes. While the registration rate is currently at 43%, our goal is to raise the coverage to 100%.

• Environmentally Conscious Products

Products proposed at the Special Environmental Subcommittee for Products and Eco Mind products with particularly excellent environmental features are screened under the Eco Symbol Mark certification system that complies with ISO 14021. Products that pass this screening process are certified as environmentally conscious products. We apply this system to promote the development of products that are friendly to the environment and seek to expand their market share.



No. 40 Small-body ECU



No. 41 High-function-body ECU





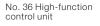
Working to Improve Functions and Reduce Weight of Wire Harnesses

Tsutomu Sakata (Group Leader, left) Hiroaki Sakamoto (right) Development & Design Department 2, Development & Engineering Division, Wiring Harness Components Group

We develop and design wire harness protectors and other products. Protectors shield wire harnesses and enable complicated route restriction with varied thickness and weight. Therefore, we have also focused on reducing weight. The efforts bore fruit when we came upon a particular combination of sheet thinning, rib layout and other factors. It was a difficult process, but the team experienced a sense of accomplishment in being able to overcome the challenges. We will continue manufacturing with due consideration for the two aspects of reduced wire harness weight and saving resources.

Products Certified as Environmentally Conscious in Fiscal 2014







No. 38 Board connector for lead-free soldering



No. 42 High-function and lightweight JB type III



No. 37 Eco-friendly waterproof welding



No. 39 Resource-saving connector for the next JB (Junction Block)



No. 43 Light-weight protector

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



Basic Approaches to Human Rights

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, gender, age, social status or disability.

• Activities for Promoting the Development of Dynamic Workplaces Since fiscal 2013, we have been promoting the development of dynamic workplaces to encourage active communication, increase operational efficiency, and promote diversity by raising employee awareness of human rights in cooperation with the personnel division, workplaces and the union.

Each department selects members for the dynamic workplace promotion committee to share information obtained through participation in human rights awareness training and cultivate awareness of human rights in their respective workplaces. We have also established a system in which any promotion officer who recognizes a harassment situation will report the incident to the personnel division to facilitate early detection of and response to labor issues. Promotion officers serve one-year terms to steadily increase the number of human rightsconscious employees in each workplace.

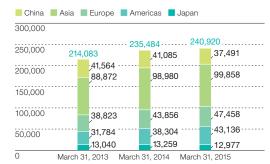
In addition, we implement dynamic workplace patrol activities in which both labor and management review the conditions of each workplace and introduce good practices through Group newsletters to promote the creation of sound working environments across the board. Under the slogan "Let's create lively, dream-inspiring workplaces where we communicate actively and respect each other!" we strive to create lively and vigorous workplaces by aggressively expanding activities that encourage mutual cooperation.

Employment of Diverse Human Resources

Our personnel policy is to employ diverse human resources that reflect a variety of career paths irrespective of nationality or gender.

• Promoting Employment of Physically or Mentally Challenged Persons To further promote the employment of physically or mentally challenged persons, we established SWS Smile, Ltd. in May 2013 as a subsidiary that emphasizes the importance of hiring these individuals. SWS Smile commenced operations in June of that year and received certification as a special subsidiary in the following October.

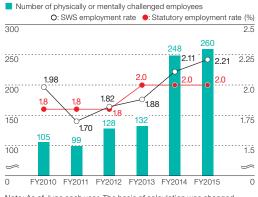
Global Personnel



Dynamic Workplaces Sought by the SWS Group



Employment of Physically or Mentally Challenged Persons



Note: As of June each year. The basis of calculation was changed following the establishment of SWS Smile in fiscal 2014.

Work-Life Balance

We proactively support employees in balancing work and family life from the standpoints of ensuring equal opportunity for men and women, addressing the declining birthrate, raising employee motivation and tackling long working hours.

Under Japan's Act for Measures to Support the Development of the Next Generation, we have further improved various child care and nursing care initiatives, including child care leave and reduced working hour programs. Moreover, we have obtained "Kurumin" certification from the Ministry of Health, Labor and Welfare as an enterprise that supports the development of the next generation. Since 2011, all employees with newborn children have taken child care leave.

We launched our Fourth Action Plan on March 1, 2014, with the objective of creating a workplace culture that facilitates the balancing of work and family life for both men and women. We are encouraging employees to take more paid vacation and male employees, in particular, to take leave for child care, which has not been used by many fathers to date.

Parents' Meeting

We provide employees who are on parental leave with opportunities to have an interview with their supervisor and meet with employees who have experienced taking child care leave so that they can discuss job activities and career planning after returning to work. In sites with a large number of participants, nursery teachers are assigned to a day-care space provided on-site to create an environment for employees with small children to participate with a sense of security. In fiscal 2014, 62 employees participated in these meetings in individual areas.



Meeting with senior staff members



Interview with a supervisor

Participant's Comment



Participating in the Parents' Meeting

Tamayo Nishiki Quality Management Group, Quality Innovation Promoting Department

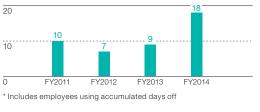
I participated in the Parents' Meeting along with my 10-monthold son. At first I was nervous, but I learned later through informal conversation that other employees who had taken leave for child care were vigorously working under the reduced working hour program. I thought "I could also work hard after completing my leave." An interview with my superior eliminated my concerns before returning to work. Thanks to this experience, I will be able to come back to work next year. I am very grateful for having these opportunities.

Employees Who Took Leave for Child Care



Note: Number of employees who applied for (female employees who gave birth) and took child care leave

Employees Who Took Leave for Nursing Care











Day-care space



Supervisor's Comment

Hoping many more people can also enhance their work-life balance

Yoshinori Makio General Manager, Quality Management Group. Customer Quality Engineering Department

I'm glad to hear that the meeting relieved her concerns before returning to work. After listening to her detailed plans and wishes, I was able to help her to seamlessly come back to work. My daughter also took leave for childbirth and child care in a different company, but she was not provided with the same opportunities. I think that the Parents' Meeting is a very good program for helping employees enjoy their fulfilling work and private lives. I hope many others will take advantage of the program.

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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.

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.

The SWS Group supports individuals who aspire and strive to grow and encourages career development based on each employee's aptitude and ambitions.

2. Our approach is based on performance.

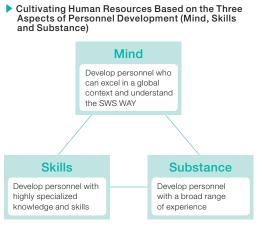
The SWS Group ensures equitable treatment for individuals who recognize and fulfill their responsibilities by conducting fair, performancebased assessments to raise employee satisfaction and supporting individuals who pursue higher achievements without fear of making mistakes.

3. We develop diverse human resources.

The SWS Group provides environments for refining expertise and skills and fosters environments that encourage the generation of ideas and action around the world.

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 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 addition, employees set their own job-related goals and bolster their skills through on-the-job training and practical experience. This cycle is repeated every year to steadily raise the level of employee abilities. Over the mid- to long term, we encourage employees to understand the roles they are expected to play by attending position-based training sessions and preparing their own capacity building and career plans. We do this so that employees pursue career development and attain self-fulfillment by implementing the action plans (trainings, self-development, etc.) they have created through career development discussions with their supervisors.

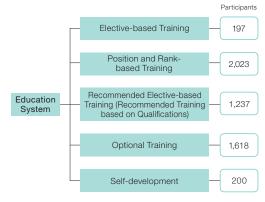


Priority Measures for Human Resource Development



Create lively, vigorous and vibrant working environments





Development of Global Human Resources

The SWS Group cultivates personnel who can keep pace with the globalization of our businesses. We continually upgrade our global training programs in areas such as languages, diversity, cross-cultural management, personnel management and international operations. We also operate an overseas trainee system that includes opportunities for employees to experience operations and life in foreign countries as trainees.

We are also bolstering human resource development at our overseas Group companies by organizing training for executive candidates and management. These efforts are intended to cultivate global human resources throughout the Group.

Regional Managers Training

In fiscal 2012, we launched the Regional Managers Training program for managers based outside Japan and began by conducting training sessions in Europe. In fiscal 2014, 22 participants from 11 countries participated. We plan to organize training sessions in the United States and Asia in accordance with specific regional characteristics and needs to mobilize local human capital in our global management.

Global Leadership Development Program

The Global Leadership Development Program (GLP) is held twice a year to train executive candidates at overseas Group companies.

Training sessions include lectures by the president and executives to deepen understanding of the SWS WAY, quality management and safety management, as well as factory tours. In fiscal 2014, eight participants, mostly from China, took part in this opportunity to expand their executive-level abilities and knowledge.

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 2014, the 18th year of the program, 109 employees who joined the company this year were dispatched to four plants in China, Vietnam and the Philippines for two weeks of training beginning in late November and ending in early December.

Overseas Trainee System

We have an overseas trainee system in place, in which each division selects trainees from its younger employees and dispatches them to work overseas for a certain period of time. Since 2007, a total of 230 employees have gained experience encompassing the cultivation of diverse values and improvement in management capabilities. They are now applying the experience in their career development.

VOICE



Taking GLP Training **Provided a Valuable** Learning Experience

Samarnphong Kittiphon

General Manager, Manufacturing Department, Sumitomo Electric Wiring Systems (Thailand) Ltd.

GLP was a wonderful training program that helped me gain an in-depth understanding of leadership. By being able to exchange ideas with members of the SWS Group in other countries, I learned different ways to do the work as well as the challenges and creativity unique to individual countries, which further broadened my horizons. I expressed my appreciation to the people from the SWS Human Resource Development Group who planned and ran the training. I will certainly apply what I learned or observed through this opportunity as I strive to become a better leader.



Regional Managers Training





New employee training at an overseas plant



In acknowledgement of our responsibility as a member of society, we contribute through global and local activities around the world.



Basic Approach

The SWS Group is expanding its business in Japan as well as overseas. 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 activities.

System for Promoting Social Contribution Activities

We are taking a number of steps to further invigorate our social contribution activities. In addition to the volunteer vacation and cafeteria plan programs that support employee volunteerism, we make information available through our corporate intranet, which also serves as a forum for communicating and exchanging information on the social contribution activities of the SWS Group.

CSR Activity Awards

Since fiscal 2011, the SWS Group has been recognizing affiliated companies around the world for their exemplary social contribution activities by presenting awards at Group conferences to encourage these efforts. During the ceremony, the activities are praised to communicate the importance of contributing to society through commendable efforts around the world.

In fiscal 2015, the fifth year of the awards, we recognized the activities of four Group companies in Japan and overseas (see page 30).



Corporate newsletters



Representatives of award recipient companies

Communicating with Local Communities

We have been openly communicating with residents around our head office in Mie Prefecture and in all other regions where we operate. We actively participate in disaster prevention activities, support annual events such as festivals and fireworks shows, and sponsor youth sports. To promote local culture, our employees engage in preserving the tradition of "Yokkaichi Suwa Daiko Japanese Drums," a performing art of Yokkaichi. Staff members and their family members take part in volunteer beach cleanups organized by an NPO, the "Yokkaichi Sea Turtle Preservation Society," to clean coasts and preserve the environment where sea turtles can lay eggs.



SWS Suwa Daiko Team

Activities around the World (CSR Activity Award Recipients for Fiscal 2015)



Food and Nutrition Education and Support for Local Children

The Philippines

SPWS: Sumi Philippines Wiring Systems Corporation

SPWS promotes food and nutrition education and similar activities through, for example, donation of food to neighborhood nursery schools. In fiscal 2014, these efforts served a total of 1,169 children in 28 recipient sites. In addition, the company is involved in a wide range of other initiatives, including the donation of school supplies to children whose poverty prevents them from attending school, tree planting, disaster recovery assistance, river cleanups, blood donations and school beautification.



Donations to Neighborhood Residents

Tunisia

SEBN-TN: SE Bordnetze Tunisia S.A.R.L.

SEBN-TN conducts charity events to donate food and other goods to 300 neighborhood families during Ramadan. The company also pays a part in covering tuition for local children to enable them to return to school.

Employing Persons with Disabilities

Hungary

SEWS-H: SEWS Hungary Wiring Harness, Ltd.

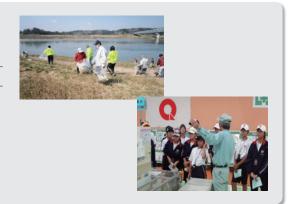
SEWS-H hires persons with disabilities, who represent up to 8% of the total employees of the company and its subcontractors combined. In addition, the company is continuing to provide support for persons with disabilities through donations to neighborhood elementary, junior high and high schools as well as disability aid groups. SEWS-H also donated jackets to neighborhood fire stations and emergency services, who expressed their gratitude by displaying the company logo on the jackets.



Environment Conservation Programs and Experience-based Learning Opportunities for Young Students

SWS East Japan, Ltd.

To maintain and improve the surrounding environment, SWS East Japan, Ltd. participates in the Kitakami River Basin and Mabechi River Right Bank cleanups and "A Forests Lives with the Sea (rich forests nourish seas and enrich nature and life)" initiative to plant broadleaf tree saplings. The company is also actively providing such opportunities for elementary and junior high school students as factory tours, work experience and internships.





The First Japanese School in Cambodia

In April 2015, the first Japanese school in Cambodia opened in Phnom Penh. Japanese companies contributed funding for opening the school, and we donated US\$10,000. As a global enterprise, we are playing our part in supporting education overseas.





Connect with the Best



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