

GROUP

CSR Report 2016

Corporate Social Responsibility Report



Sumitomo Wiring Systems, Ltd.

Making Connections across Society

99_{th Anniversary}

The connections SWS provides reach beyond its products. We value the connections that our business affords across society and between people to contribute to the development of local communities. Deeply rooted in local communities, SWS will continue to create connections throughout society.

Message from the President	02
Company Overview/Global Business Development	04
Our Products ·····	05
Basic Principles of the Sumitomo Wiring Systems Group ····	06
CSR Management ······	80

Feature 1

Contributing to Local Communities through the	
Hydrogen Station Business	
	09



Feature 2

Pursuing Dreams and Rising in Mie to Be the World's Best

Strengthening and Promoting the Governance System/ Strengthening and Promoting the Compliance System	13
Developing, Strengthening and Promoting the Risk Management System	15
Health and Safety Commitment to the elimination of industrial accidents	
Quality Control Achievement of globally uniform high quality	19



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 ninth edition, we offer a concise summary of where we stand in our CSR activities centered on eight CSR priorities while having featured articles on "Contributing to Local Communities," 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, 2015 through March 31, 2016 (fiscal 2015) Some activities conducted in fiscal 2016 are also covered. Date of publication: October 2016 (the next edition is scheduled for release in September 2017)

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



Advancing into our 100th anniversary as a company with deep roots in local communities

han frone

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

\bigcirc Current economic environment and our third-year review of Vision 2017

The performance of the Japanese economy in fiscal 2015 was characterized by weak export growth, primarily due to the economic slowdown in China and emerging markets. On the whole, the growth of personal consumption was flat, although there was evidence of a slight recovery. As for the global economy, a recovery could be observed in the Eurozone as well as in the continued solid performance of the U.S. economy. Benefiting from economic strength in those regions, overall consolidated net sales of the company increased.

In implementing the Vision 2017 medium-term management plan during fiscal 2015, the third year of the plan, the SWS Group worked together on various initiatives to meet our goals of achieving a 30% global market share and becoming the most successful company in the wiring harness business. In recent years, we have focused on improving our competitiveness in the global market. To enhance our global marketing capability in the future, we must increase our share of the market for overseas car manufacturers. Many U.S., European and other overseas car makers plan to transform their business structures in the rapidly growing Chinese market and want to secure their product development and sales bases so they can quickly respond to regional requirements. To ensure that we collaborate efficiently with their bases, we will develop our local human resources and recruit highly skilled individuals from the U.S. and Europe while establishing business sites and a framework for operating in the region.

In terms of reducing costs, we were able to essentially reduce costs as planned without affecting product quality. The challenge has been that cars are beginning to use a larger wiring harness since they are increasingly incorporating more advanced functions, such as millimeter-wave radar for better preventive safety performance. Meanwhile, lighter wiring harnesses are in demand from car manufacturers. Therefore, we switched from using copper as a raw material for some of our products to aluminum, a cheaper and lighter metal. We are also reducing costs and improving product quality by promoting automation and the wider use of machinery for manufacturing.

We have recognized the recent advances in technological innovation by our customers, such as the application of IoT, represented



by automated driving, to cars. We must therefore strengthen our own development and proposal capabilities and accelerate the pace of product commercialization. We will establish a system for developing new products ahead of the competition and adapt our business to changes in society by identifying customer needs and working with them to generate ideas for the technologies that future car models will require over the next ten years.

Contribution to society through CSR activities

CSR activities are vital for improving the corporate value of the SWS Group in conducting business in over thirty countries around the world. Since we employ many local workers in the regions in which we operate, we promote activities that contribute to improving the company's reputation and earning stakeholder trust and confidence in those communities. We carry out a wide variety of activities that meet specific local needs, such as cleanups and visits to foster homes. To further promote CSR efforts, we set up and maintain a system for encouraging employees to take part in volunteer activities rooted in the local community. For instance, we present awards to Group companies that have contributed to local communities through CSR initiatives.

We view our employees, who work with dedication across the world, as important, irreplaceable stakeholders. Consequently, we are concerned for their safe travel to work without being involved in an accident, particularly in developing countries with inadequate infrastructure. In most countries, employees can use company shuttle buses to commute to work. However, some employees in Vietnam and the Philippines ride motorcycles. Our accident prevention efforts include providing safety training for our employees and for the companies that handle our shuttle bus services. As a company that believes in the importance of being aware of safety issues and that healthy employees are the source of corporate vitality, we are committed to creating workplace environments in which employees can work with sound minds and bodies.

At our plants, operating a forklift requires the most attention to safety measures. Accidents involving equipment as heavy as forklifts can result in a significant injury, such as a broken bone. Therefore, we separate the zones where forklifts operate from the pedestrian pathways. We have also reduced the maximum driving speed for forklifts as part of creating safer working environments. The philosophy of SWS's CSR activities is that everyone should be ready and able to volunteer for contributing to community efforts. Focusing on the occupational safety and health of our employees will lead to the stable and sustainable growth of our business.

Toward the future of the SWS Group

Sumitomo Wiring Systems will mark the 100th anniversary of its founding in 2017. Since its establishment, it has been able to run offices in Yokkaichi and other locations thanks to the support and cooperation of local communities. Our first contribution activities to mark this anniversary and demonstrate our appreciation for these communities were the launch of the mobile hydrogen station business as a joint venture involving four companies based in Yokkaichi and support of Mie Prefecture's first women's rugby team.

In addition to actions rooted in local communities, we are addressing global social issues by, for example, raising funds for the SEI Group CSR Foundation. We contribute to developing the leaders of the next generation by financially supporting university research

as well as foreign students studying in Japan and Japanese students attending schools overseas. Moreover, we will pursue opportunities for collaborating with local universities and research institutes in R&D that contributes to the future of society. Another initiative focuses on reducing waste at a global scale. In Japan, we have already taken action to reduce and sort waste with promising results, and we have launched similar initiatives at our overseas sites and are now compiling outcome data. In these initiatives we are strengthening employee motivation by, for example, creating a system for recognizing business sites based on the data we have gathered.

As we approach our 100th anniversary, we at the SWS Group will work together to meet the expectations of our stakeholders and become a company rooted in and familiar to local communities as a global corporate group.



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 NameSumitomo Wiring Systems, Ltd.Established:December 1917President:Osamu InoueCapital:20,042 million yen (as of March 31, 2016)Head Office:5-28 Hamada-cho, Yokkaichi, Mie, JapanAffiliates:13 in Japan, 101 overseasEmployees:12,837 in Japan, 237,557 overseas
250,394 in total (as of March 31, 2016)

Sales



Number of Employees Worldwide



Global Business Development



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.

Harness Components

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.



TS Sealed Series Connector 0.64 mm

Cables

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



Aluminum electric wires



Products for EV/HEV/PHEV

customer needs

Pipe harness

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.



Relay module of busbar and substrate



Central gateway ECU



Integrated wheel speed sensor with EPB harness

Other Harnesses



Wiring harnesses for two-wheeled vehicles



Wiring harnesses for equipment

TOPICS

Wiring Harnesses for Aircraft

Technologies of Sumitomo Wiring Systems Support Flight of Japan's First Passenger Jet

Sumitomo Wiring Systems is aggressively developing technologies with "environment" as

the keyword. This commitment can be seen in our products for increasingly common electric

Power cable terminal block

vehicles, hybrid vehicles and plug-in hybrid vehicles. We offer a line of original products to meet

Sumitomo Denso Systems' aircraft wiring harnesses are used in the Mitsubishi Regional Jet, a next-generation regional jet manufactured and launched by Mitsubishi Aircraft Corporation and Mitsubishi Heavy Industries, Ltd. Our wiring harness is routed throughout Japan's first commercial passenger jet, extending 30 meters from front to back. Our distinctive manufacturing technologies, represented by our wiring design system, fully incorporate advanced IT and allow for the identification of electrical circuits different from those used in automotive applications. With this technology, we seek to improve workability and provide stable quality. Even for the harsh environment of aircraft, we are meeting our clients' needs with

reliable technologies based on the know-how we have cultivated by working with automobiles over many years. With our proven expertise and experience, we expect new openings will arise in the wiring harness business for space rockets, and our aspirations and opportunities will continue to expand into the skies.

EV/PHV charging connectors





Images courtesy of Mitsubishi Aircraft Corporation

05

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.



Systems Group Charter of Corporate Behavior

Codes of conduct and guidelines for executives and employees

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 rules and guidelines 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 rules and 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.
Barmony 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, covering a broad range of topics in seven chapters comprising 30 sections, has been translated into 24 languages and distributed to the employees.

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.



Relationships with Stakeholders

Stakeholder	Relationship Overview	Issues and Requests	Communication Channels	
Administrative agencies (central government, municipalities)	We conduct business under the jurisdiction of each nation's administrative agencies, which are also customers for our products and services.	•Complying with laws, regulations, administrative guidance, etc. •Paying taxes	etc. Communication through industry organizations -Filing various notifications, responding to surveys/questionnaires Compliance with environmental regulations by the government, local public entities and other organizations -Environmental conservation activities based on the PDCA cycle Communication through sales activities -Company websites -Exhibitions	
Global environmental conservation	We conduct business to create an affluent society with full consideration for environmental preservation.	Reducing the volume of greenhouse gas emissions Promoting energy saving and recycling Reducing the volume of waste		
Customers	We deliver products and services centered on our core business of automotive wiring harnesses to customers around the world.	Providing safe, high-quality products and services Improving customer satisfaction Providing accurate, timely product information		
Local communities, NPOs/NGOs	The Group contributes to local community development as a good corporate citizen doing business in more than 30 countries.	Respecting different cultures and customs, contributing to local community development Preventing accidents and disasters, paying due consideration to the environment	Community development activities by employees (both domestic and international) Plant tours, events Regional development, inheritance of traditional arts	
Employees	With about 250,000 employees world-wide, we strive to provide a positive and vigorous working environment characterized by mutual respect. With about 250,000 employees world-wide, we environment characterized by mutual respect. Providing a workplace culture that facilitates work and family life Building capacity in alignment with career gr		Activities for promoting the development of dynamic workplaces Group newsletters Corporate intranet Town meetings	
Suppliers	Recognizing suppliers as valued business partners, we promote openness, fairness and honesty in all our transactions.	Fair and honest transactions Respect for human rights	Procurement activities Supplier surveys Global Suppliers Meeting	

80

CSR Promotion Structure

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





Feature

Contributing to Local Communities through the Hydrogen Station Business

The SWS Group's role in creating a hydrogen-based society

◆ 住友電報 7 アハハCY

To promote the dissemination of hydrogen fuel cell vehicles in Mie Prefecture, SWS and three other companies based in the prefecture formed a joint venture to operate mobile hydrogen stations and create and environmentally sound community.

やさしい未来をつくろう

Establishing the Mie Hydrogen Station

Growing demand related to the upcoming hydrogen-based society

The Japanese government formulated the "Strategic Roadmap for Hydrogen and Fuel Cells" in June 2014 as its long-term vision for the creation of a hydrogen-based society, and a car manufacturer launched the world's first fuel cell vehicle (FCV), signaling the beginning of public and private sector efforts toward establishing hydrogen as a fundamental fuel source. FCVs are often referred to as

Outline of the Joint Venture

Corporate name	Mie Hydrogen Station Limited Liability Company
	5-28 Hamada-cho, Yokkaichi City, Mie Prefecture (inside the SWS head office)
Capital	10 million yen
	SWS (35%), Japan Transcity (35%), Mie Toyota (15%), Taniguchi Oil (15%)
Business line	Hydrogen supply business by mobile hydrogen station
Service commencement date	March 31, 2016

the "ultimate eco-cars." The successful adoption of FCVs will require the availability of a sufficient number of hydrogen stations for drivers. However, a number of obstacles remain before hydrogen stations can be broadly located in local communities, such as the high cost of construction, institutional inertia embodied in strict regulations, and a prohibitive demand-supply balance with few users.

• Establishing a joint venture to operate Mie Prefecture's first hydrogen stations

Under these circumstances, SWS established Mie Hydrogen Station Limited Liability Company (MHS) on July 13, 2015 as a joint venture with three other companies based in Mie Prefecture: Japan Transcity Corporation, Mie Toyota Co., Ltd., and Taniguchi Oil Corporation, to operate the first mobile hydrogen stations in the prefecture. The goal is to pave the way toward creating an environmentally sound community by supporting the creation of a hydrogen-based society in the prefecture.

Role of SWS in the Business

The partnership of these four equity investors is based on utilizing their respective business strengths

The four equity investors conduct the business operations of MHS. They collaborate while utilizing their respective strengths and

Principal Roles of the Four Companies

SWS	Business management and operations; staffing; provision of a site for supplying hydrogen; solicitation of corporate sponsors
Japan Transcity	Business management and operations; staffing (drivers); solicitation of corporate sponsors
Mie Toyota	Coordination with car manufacturers; solicitation of corporate sponsors; provision of a site for supplying hydrogen
Taniguchi Oil	Site management; staffing (security supervisor)

expertise in specific business fields. The opening ceremony for the joint venture took place on April 1, 2016, with many guests and

media representatives in attendance. Under the slogan of "Let's create an environmentally sound future," the four equity investors are promoting the business with a steadfast sense of unity.



Opening ceremony

Activities to Contribute to the Local Community toward the Creation of a Hydrogen-Based Society

(1) Sales of hydrogen at mobile hydrogen stations

The mobile hydrogen stations that MHS operates represent a system in which trucks with hydrogen supply an equipment circuit between the two stations in Yokkaichi and Tsu cities and also supply FCVs with hydrogen from trucks. Benefiting from this mobile system, the stations are expected to serve a large area effectively. SWS provides a portion of the SWS Yokkaichi Storing & Shipping Center as a site for supplying hydrogen to the stations. We have named the site "Mie Hydrogen Station Yokkaichi" and sell hydrogen there. As of the end of June 2016, only eight FCVs are registered in Mie Prefecture.



Supplying hydroger

Nevertheless, while anticipating fullfledged sales of hydrogen in the future, we are focused on developing a station system that customers can easily use to contribute to the creation of a hydrogenbased society in Mie Prefecture.

(2) Efforts to raise environmental awareness

As part of our efforts to create an environmentally sound community, we are focusing on raising environmental awareness at our hydrogen stations and on our company website. At the promotion center inside Mie Hydrogen Station



Explanatory material displayed for visitors

Yokkaichi, we display a miniature model of hydrogen fuel cells and posters that help visitors to understand the business. In addition, we introduced special pages on our company website to provide basic knowledge such as about the characteristics and use of hydrogen and fuel cells both to promote hydrogen stations and to raise environmental awareness.

Mie Hydrogen Station website: http://www.mie-suiso.co.jp

(3) Promoting support activities rooted in local communities

We are striving to raise awareness of a hydrogen-based society in local communities and the creation of environmentally sound communities. For instance, we can boost recognition of FCVs by driving trucks from the Mie Hydrogen Station across the prefecture. We assist in promoting FCVs by holding business briefings for local residents and displaying a truck and FCV at various events organized by the local government.



Briefing for local residents

Activities Supporting the G7 Ise-Shima Summit

At the G7 Ise-Shima Summit in June 2016, we participated in the public relations exhibition organized by the Japanese government. We presented the initiative of Mie Prefecture to promote hydrogen fuel cells to key figures of major countries and media representatives. In addition, SWS on its own initiative contributed to the summit's success by donating 10 million yen and dispatching volunteer interpreters from SWS.



Display model of a hydrogen station



VOICE

We are contributing to society through a business that represents significant value for the future.

The Mie Prefectural government presented its future vision for the prefecture, including "A society that uses more new sources of energy" in its Mie Prefecture New Energy Vision, updated in March 2016. A hydrogen business is generally launched in major cities and then extended to the countryside in light of cost concerns. The surrounding countryside must then take aggressive action to prevent a delay in achieving broad-based access. In this sense, SWS is playing a vital role in establishing the joint venture as well as providing overall management.

I have been in charge of managing the hydrogen station business since June 2015. Since the joint venture's establishment, my job has included reviewing the status of operations and creating plans

to expand the business at the monthly meetings of the four equity investors. We focus on dissemination efforts to deeply root the venture in the local community. For instance, we organized a tour to the station as part of schoolchildren's social studies classes. We also participate in various events as an exhibitor. Since workers who directly handle hydrogen must obtain qualifications and possess at least six months of practical experience, we plan to offer our station as a training facility. Several issues remain to be addressed for operating mobile stations. We would like to continue making small but many contributions and playing our role in creating an environmentally sound society through this business representing significant value for the future.



Toru Yamaji Senior Manager, General Affairs Division



Feature

Contributing to the Local Communities

Pursuing Dreams and Rising in Mie to Be the World's Best

Contributions to the community through promotion of sports

The Mie Prefectural government promotes sports as a means of revitalizing local communities. As part of our support for this initiative, we have been sponsoring the prefecture's first women's rugby team and have provided employment opportunities to the athletes. We partner with local community residents as well to support athletes in fulfilling their dreams and brightening the prefecture's future.

Behind the Creation of the Women's Rugby Team and Our Ongoing Support

Seven-a-side rugby (rugby sevens) was officially added to the 2016 Olympic Games in Rio, and Japan was able to field both men's and women's national teams, generating significant attention among the Japanese. It was decided that the National Sports Festival would be held in Tokowaka, Mie Prefecture in 2021, for the first time in 46 years. PEARLS, Mie's first women's rugby football club, was organized with the goal of creating a champion women's seven-aside rugby team for the event. SWS represents local companies as an official sponsor of this club and also recruited three PEARLS players in 2016 as part of its efforts to provide employment opportunities for athletes. We will continue to support the athletes, with whom we share the common ideal to "Set both individual and team goals and achieve them."

PEARLS, Women's Rugby Football Club of Mie Prefecture

The club held a tryout in May 2015 toward winning in the National Athletic Meet in Tokowaka in the prefecture and was officially created as an incorporated association in March 2016. Toshikazu Kitora, a former manager of the Ryukoku University rugby team, was invited to be its manager. He also managed the Josho Keiko Gakuen Senior High School rugby team while it won three consecutive National Senior High School Rugby Championships. Six former Japan national team members have also joined the club, which has now registered a total of 30 players, including elementary school students and senior citizens.



SWS Efforts to Promote Sports by Supporting Women's Rugby

Women's rugby is in its nascent stage in Mie Prefecture. To promote sports there, SWS started to support PEARLS on behalf of local companies as an official sponsor in April 2016. Sponsorship funding provided by SWS is being used to strengthen the team and popularize rugby. The uniforms of the players bear the SWS corporate logo, symbolizing the company's sponsorship, and the logo is also posted on the backboard at press conferences. This is how SWS is contributing to revitalizing local communities through women's rugby, and we will continue to promote sports for this purpose.



PEARLS managers and players at a press conference to announce its creation

11

Helping Athletes Obtain Jobs

As part of its efforts to support athletes, SWS recruited major PEARLS players Emi Ito and Seina Saito in April 2016 and Akari Hayashi in August 2016. We support local athletes who take on the challenge of becoming world-class athletes by recruiting them and providing an environment where they can concentrate on their athletic performance. Providing athletes with job opportunities benefits both them and SWS, since we have adopted the human resources policy of "employing diversified human resources with various career backgrounds and making full use of their capabilities." The recruitment of the three athletes enhances our organizational diversity. In addition, supporting the club in its matches will inspire employee hopes and dreams while boosting their motivation and sense of unity in the workplace.



Working in the General Affairs Division of the head office

Revitalizing Local Communities through Rugby Classes

The PEARLS Club visits elementary and junior high schools in Mie Prefecture and offers rugby classes as part of its efforts to popularize the sport. The three players who work at SWS join in the classes and convey the fun of playing rugby. Class participants not only learn basic rugby techniques, such as relay plays and exchanging passes, but also experience practicing scrums and lineouts, the essence of rugby competition with the visiting players. Most children have never played rugby. They have shared encouraging comments such as, "That was fun" and "When is your next visit?" and every time the event is held, it is always very popular. We will continue to share the attraction of rugby through classes as a means of promoting sports in local communities.



Women's rugby team members enthusiastically instruct children

VOICE Devoted to both work and play, we accept the bold challenge of achieving our dreams and creating the future of Mie rugby!



Emi Ito General Affairs Division

Q: What are your thoughts about SWS promoting sports?

Ito: We have received significant encouragement and support from SWS through all these sponsorship activities. SWS provides us with an environment in which we can concentrate on our game. Thanks to this support, we are steadily improving through high-quality practices.

Saito: SWS is an official PEARLS sponsor. With the SWS corporate logo on our uniforms, we recognize that we are playing a role in raising public recognition of the company. I want to contribute to its public relations efforts through rugby.

Ito: I agree. By playing matches in various regions, we will be able to boost recognition of SWS across Japan. I want to popularize rugby in Mie Prefecture through our outstanding performance.

Saito: I participate as an instructor in visiting rugby classes, which



are always very popular. The children are happy and say: "You must visit again!" I believe that continuing these activities is important not only for revitalizing local communities but also for raising up the next generation of those who will play a key role in rugby's future.

Q: Can you tell us about your job at SWS?

Saito: We are primarily assigned to produce company newsletters and plan and arrange public relations services. And we can apply our experience in rugby to our jobs, including dealing with the media. I find the work to be very fulfilling.

Ito: Working with my colleagues in the General Affairs Division always inspires me and boosts my motivation at work and while playing rugby. I enjoy playing rugby, being able to concentrate on the sport as part of my job and achieving good results as a way of repaying the company for its support.

Q: What is your specific goals for fulfilling your dreams?

Ito: I was born in Mie, and PEARLS was born here, too. So, I want to help PEARLS win the Japanese national championship. That is my dream, and I will accept the challenge of making it happen.

Even after I retire, I want to be involved in training junior and senior players.

Saito: My goal is for PEARLS to win the national championship. And then my next goal is qualification in the regional tournament of the Women's World Cup in 2019 and playing at the World Cup. We will spare no effort to fulfill our dreams together with SWS!



Seina Saito General Affairs Division

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 to ensure the soundness and adequacy of management. 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.

Compliance System

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 2015. We developed a global system by assigning 41 managers who were charged with preventing bribery in 37 Group companies in 12 countries. As part of our commitment to strengthen the monitoring and prevention of bribery, we conduct quarterly reviews of the entertainment expense reports of each department that are submitted to the Legal Affairs Department. We continue to strengthen control over our Group companies through means such as internal inspections conducted jointly by the Legal Affairs and Procurement Planning departments in fiscal 2013 to determine compliance status with the Subcontractor Act.

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 2015, we provided position-based training programs that focused on compliance, internal control and corporate governance to further bolster our internal controls. In addition to the training programs, we use our monthly Group newsletters to introduce topics related to compliance and discuss issues that can arise in the course of business such as the Antimonopoly Act, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and key points to keep in mind when signing contracts. Through these efforts, we ensure that our employees are always aware of their compliance obligations.

Corporate Governance System (as of September 30, 2016)



Group-wide Management Activities





Compliance training

Compliance Training (Fiscal 2015)

Type of Training	Number of Sessions	Number of Participants
Training for New Employees	1	144
Training for Mid-career Recruits	12	60
Position-based Training	14	661
Optional Training	8	278
Compliance Training on Competition Law	1	657
Harassment Prevention Training	g 7	275
Other	11	284
Total	54	2,359

Contacts for Compliance Reporting

Contacts for compliance reporting were established as an effective system for the early detection and correction of any incidents of legal or ethical non-compliance. To make filing reports easier, we set up an internal contact run by our Legal Affairs Department and also an external contact run by our corporate legal counsel. Reports of non-compliance are mainly investigated and handled by the Legal Affairs Department, which serves as the Compliance Committee Secretariat.

In fiscal 2015, 18 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 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. A total of 230 participants from 122 companies in 10 countries attended our April 2016 meeting. We provided an overview of the business environment of our harness business taking into account peripheral industries, shared our procurement policy and key measures, and requested the active commitment and initiative of our suppliers to make sure that everyone is on the same page.

The meeting also included an award ceremony recognizing outstanding suppliers based on a comprehensive evaluation conducted from standpoints such as quality, cost and delivery. Nine companies were recognized as outstanding suppliers for fiscal 2015.

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.

Addressing Conflict Minerals

The SWS Group recognizes that the issue of conflict minerals^{*} in the Democratic Republic of the Congo and its adjoining countries is a serious social concern in the supply chain when promoting CSR procurement in accordance with the SWS Group Procurement Policy. In order to assess the usage status of conflict minerals in the Group, we make sure that the survey concerning conflict minerals prepared by major car manufacturers is completed and returned by all participants. The survey, which started in 2013, is sent to about 200 suppliers every year with a 100% response rate, including fiscal 2015. At suppliers meetings, we request the cooperation of suppliers in completing the survey, which we believe builds their awareness and further strengthens cooperation over conflict minerals. In fiscal 2016, we will enhance our check system by improving survey accuracy through the careful examination of the responses collected from suppliers and asking them to take corrective measures as necessary.

* The trading of tantalum, tungsten, silver, gold or their derivatives, originating from the Democratic Republic of the Congo or its adjoining countries, directly or indirectly finances or benefits armed groups in countries that commit serious human rights violations or cause environmental harm.

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



Global Suppliers Meeting

Voice



Striving to Achieve a Strong Win-Win Relationship by Meeting Customer Demand

Toshihiko Kobayashi Chief Operating Officer, Industrial Products Division, Molten Corporation

We mainly deliver harness grommets and other rubber and plastic parts, which are used globally. In terms of quality, and thanks to SWS's guidance for each of our worksites, we have been recognized for providing the highest quality products by eliminating defects through work performance improvement and the strict observance and reinforcement of rules. As a result of promoting customer suggestions on new materials and improving workability, we received the "General Excellence Award" and "Excellent Quality Award" at the 2016 Global Suppliers Meeting. We will strive to achieve a strong win-win relationship by meeting SWS demands for further global expansion.

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.



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.



Promotion System Management	• Group-wide committees and individual committees • Risk manager in each division and each company • Risk management staff in each department
Risk Communication	 Sharing information 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
Preventive Risk Management	 Reducing and preventing risk (proactive measures) Formulating risk manuals (emergency response plans) Strengthening the risk management perspective in daily decision making Information security measures
Crisis Management	Strengthening response capabilities in crisis situations
Overseas Safety Measures	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 staff also work together to address crisis situations.

In fiscal 2015, risk managers revised the Risk Management Guidelines to clarify the most critical risks and measures to improve management capabilities related to these risks, and they also made efforts to share the risk countermeasures from each division that should be rolled out company-wide.

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 deliberation 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: 28 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 Structure



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 for 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 2015, we continued our efforts to achieve higher levels of preparedness and ensure consistency by publishing a restoration manual and promoting inter-company and cross-divisional collaboration. In addition to periodic disaster map exercises (held seven times in fiscal 2015), we conducted field training exercises, including the use of satellite phones and starting generators. In terms of the physical aspect, we maintain a corporate intranet through which we can share disaster information and a system that automatically transmits disaster alert notifications to mobile phone email addresses. Our daily practice certainly paid off during the Kumamoto earthquake, when we were able to promptly perform initial response and share information in a timely and appropriate manner. We will continue to pursue higher levels of disaster preparedness based on our experience.

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 Systems 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 complement 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, our other locations 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 2016

We intend to build organizational resilience in the face of emergencies by implementing countermeasures to address the overall risks of the Group while facilitating cooperation between divisions. Until now, we have reviewed various countermeasures and conducted drills for potential risks identified by each division. As awareness of the risks continues to grow among our divisions, we are deepening our efforts to further strengthen our response systems by conducting collaborative map exercises and reviewing emergency response teams. In addition, we will provide group education, training and other opportunities to continue ensuring the readiness of in-house risk managers.

Voice



Strengthening Collaboration with Business Divisions in Preparation for Possible Major Earthquakes

Yasuyuki Yamaguchi Manager,

Data Center Management Group, Systems Engineering Department, IT Management Division

I am engaged in IT business continuity measures as the person responsible for risk management in the IT division. In times of emergency, the IT division sets up a new data center, establishes redundant communication lines, stores important data on a remote server and other vital tasks to ensure the continuity of our business. In the second half of fiscal 2015, we established an IT-based companywide system that transmits notifications to the mobile phones of relevant personnel and posts upto-date damage information on a disaster message board through the use of a nationwide emergency earthquake warning system by our 24-hour data center. We launched full-fledged operation of the system during the 2016 Kumamoto Earthquakes.

In preparation for possible major earthquakes, we want to contribute to the continuity of our business by strengthening collaboration with business divisions, proposing system recovery plans and pursuing other related initiatives.

Global "Bridge Production System" for Times of Disaster



Priority Tasks for Fiscal 2016

Priority Tasks	Activities
1. Map exercises for initial response and restoration	Conduct cross-divisional exercises assuming all possible risks. In the course of these exercises, conduct a review of the response teams, procedures, etc., to strengthen internal systems.
2. Enhancement of human resource development	Conduct a review of the selection standards for successors, in-house education and training in order to continue developing in-house risk managers.

Health and Safety Commitment to the elimination of industrial accidents

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. In fiscal 2015, we experienced an increase in industrial accidents, including two in Japan and ten overseas. To further strengthen our health and safety management system, we are working to prevent the recurrence of industrial accidents through measures such as analyzing the underlying factors for each accident and changing programs for workplace equipment. We will take additional actions to address industrial accidents worldwide.

Focusing on Raising Global Awareness

Most of the industrial accidents that have occurred in our workplaces resulted from human error, such as unsafe actions during transporting and maintenance operations or while walking. As a countermeasure to injuries caused by tripping or falling while walking, which have recently increased, we have implemented the "STOP Accident Campaign" for all Group employees (implementation periods: September 2014–June 2015 and February 2016–September 2016). We intend to eliminate industrial accidents through the campaign, which instructs employees on proper and efficient walking techniques to prevent injuries caused by falling and promotes educational activities under the slogan "STOP" to raise safety awareness. We recognize that a high level of safety awareness on the part of each and every employee is just as important for eliminating industrial accidents from our workplaces as the measures taken for equipment and systems. In this context, we will strive to further increase the level of safety awareness among employees through approaches such as putting up posters in different languages in locations where they can be readily seen by employees in their daily work, having employees say safety phrases in unison, providing information through in-house broadcasting and a TV monitor display, and conducting safety training.

Safety Activity Policy

Vision 2017: Establish "Zero" risks → Achieve "Zero" accidents Realize zero accidents with a safe environment and safe actions.



Number of Global Industrial Accidents



*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)

STOP Slogan

- S Do stretch exercise
- Take a good sleep
- Occlude your eye to relieve eye strain
- Perform aerobics





Safety awareness poster

Safety training

Strengthening Safety Measures for Forklift Operators

Most of the transport work conducted in our workplaces uses forklifts, and forkliftrelated accidents can lead to fatal results. Therefore, we have been actively strengthening safety measures for forklift operators to eliminate these accidents since fiscal 2014. Some of the measures we have taken include the establishment of global forklift safety standards, separation of work areas, and the assigning of different work hours for regular workers and forklift operators so they are not present at the same times, adopting a proximity alert system for pedestrians as well as warning lights, and conducting a fundamental review of the workplace layout. The effectiveness of these measures has been reflected in the decreasing number of accidents caused by forklift operation since fiscal 2014, and the measures will be completely in place in fiscal 2016.

Sumitomo Wiring Systems Group Safety Meeting

Each fiscal year, those in charge of safety activities at the corporate headquarters and Group companies are convened for the Sumitomo Wiring Systems Group Safety Meeting to raise safety awareness across the entire SWS Group. The 10th SWS Group Safety Meeting, held in fiscal 2015, was attended by 205 people including those at 33 sites that participated via teleconferencing. We shared the results of initiatives from the entire company as well as each business department and stated our priority initiatives for the next fiscal year. Those in charge of safety activities at overseas group companies were also invited to share examples of safety activities conducted overseas. At the meeting, we announced the winners of the 2015 Safety Excellence Awards and also presented awards for the best safety poster and slogan, which had been solicited as part of company-wide safety activities. We will continue to foster safety awareness throughout the company and conduct initiatives to achieve zero accidents.

SWS Group's Health Initiatives

The "SWS Group's Health Initiatives" were declared with the belief that the health of each employee is a prerequisite for a lively company. We have implemented specific health promotion measures along with three priority initiatives. For example, we continue to raise awareness of the dangers of smoking by designating the 22nd of every month as a non-smoking day. Enlightenment activities held at each worksite in Japan included putting up informational posters and distributing clear files. To address both mental and physical health, we will support prevention efforts and promote healthy work habits to contribute to the development of an effective workforce from the viewpoint of "Kenkokeiei (health and productivity management).*"

* "Kenkokeiei (health and productivity management)" is a trademark of the NPO Workshop for the Management of Health on Company and Employees.

SWS Group's Health Initiatives

The SWS Group will carry out initiatives for actively promoting health to ensure that employees are able to effectively manage their own well-being. If we are to put into practice the words of our philosophy, "Safety is our top priority," the personal health of each employee is essential. We intend to create a vital and lively corporate environment by improving our workplaces to allow our employees soundness of mind and body and actively address problems caused by lifestyle-related diseases and poor mental health.

> April 1, 2016 Osamu Inoue President, Sumitomo Wiring Systems, Ltd.



Separating forklift operation from walking areas



Warning light (purple light shown at the bottom of the picture)



Participants practice pointing and calling



Safety slogan award ceremony

Three Priority Initiatives

- Improvement of health systems in Japan and creation of a healthy workplace culture Improve the working environment to prevent the onset of physical and mental diseases.
- Ø Measures for mental healthcare Actively promote self-care (self-awareness and stress control) and line care (improving stress factors by supervisors).
- Ø Measures for physical healthcare Promote measures to prevent lifestyle-related diseases, aging and passive smoking.



Reference materials for raising awareness about the dangers of smoking

Quality 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 2016: Promote "Establishment of a structure for Zero Defects" and achieve "Zero Complaints" under Vision 2017!

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

"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.

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."





Pika Pika Campaign for Achieving Globally Uniform Best Quality

To achieve Globally Uniform Best Quality with the highest product appeal, we promote our Pika Pika Campaign, which is fairly self-explanatory for our employees (based on the idea that creating a "Pika Pika" (shiny) mind, actions, skills, equipment and worksites leads to "Pika Pika" products). The Pika Pika Campaign is composed of four elements: PK evaluation, G-STARS, human resource development, and HAI-Q activities for quality improvement, leveraged by the other three elements, to achieve zero defects. Our long-standing PK evaluation, conducted annually since fiscal 2002, involves the person in charge of quality at headquarters visiting all of our overseas plants and conducting the evaluation every morning for three days. The evaluation is intended to accelerate improvements at each plant by clarifying weak points. Initially, the evaluation applied an overall score system, but after improvements were implemented in fiscal 2015, it now assesses the degree of achievement in safety (S), quality (Q) and productivity (P).

The G-STARS training and evaluation system standardizes the basic skills required for all workers as well as the special skills necessary for each work process. During the annual Skill Olympic Games, outstanding operators around the world who have developed their skills through G-STARS gather to compete in their respective areas of expertise.

With regard to human resource development, we strive to foster master trainers who train leaders in each plant, taking into account the characteristics of each country. HAI-Q activities are aimed at achieving zero defects in the manufacturing process and ensuring that any line found with a defective product is immediately shut down to identify the root cause.



Wire Harness Division contestants at the Skill Olympic Games

Onsite Practical Training for Quality Improvement Conducted at Overseas Manufacturing Sites

Most of the production of our Group occurs overseas. To deliver consistently high quality products regardless of place of manufacture, we are committed to implementing practical on-site training for quality improvement at overseas manufacturing sites. The goal of the training is to prepare and foster quality improvement trainers at overseas manufacturing sites under the leadership of Sumitomo Wiring Systems who are capable of serving as key persons for maintaining a system of quality improvement activities at their site. In fiscal 2015, 12 trainees completed the program over a period of about four months and started quality improvement activities in their own plant as certified trainers. The initiative serves as an opportunity for trainees to increase their motivation toward work by enabling them to feel a sense of accomplishment in achieving goals and improvement milestones, which leads to creating the foundations for quality improvement and the revitalization of quality improvement activities at each site. We will work to expand the scope of our initiative to improve the quality improvement capabilities of overseas manufacturing sites.

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 the high regard of our customers around the world as well as 63 awards for our products in 15 countries in fiscal 2015. 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.





*1 HAI-Q: Harness Innovation Quality *2 G-STARS: Global Skill Training and Recognition System

Skill Olympic Games (Wire Harness Division)







Team competition winner SHWS (standing at center)

We couldn't have won this competition without the efforts of each member who acquired their skills through daily training, the team strength that facilitated the full demonstration of these skills at the competition, the support of our colleagues behind the scenes and those who cheered us on. We are very grateful for your support. We will continue to work hard to be able to stand here again next year.

Contents of the On-site Practical Training for Quality Improvement



Awards Received in Fiscal 2015

SEWS won the Quality Excellence Award of Toyota Motor Engineering & Manufacturing North America, Inc. (TEMA) in two categories.





Plaques awarded by TEMA SEWS Canada Customer Service Center (left) SEWS Texas Customer Service Center (right)

Award ceremony



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

In Japan, four of our organizations are certified under ISO 14001, as shown on the right, after integrating Sumidenso Platech, Ltd. into Suzuka Plant of Sumitomo Wiring Systems, Ltd., which are both ISO 14001 certified, at the beginning of fiscal 2015. As a result, a total of 63 sites fall under the control of our environmental management system (EMS) in Japan, which includes 35 sites associated with these four organizations and 28 small-scale logistics sites and sales offices that are not part of ISO 14001-certified organizations. The scope of our environmental activities overseas encompasses 57 companies* (as of the end of March 2016).

We conduct environmental audits to verify that the environmental management systems of the ISO 14001-certified organizations in Japan are properly operated and maintained in compliance with the standard. In fiscal 2015, there were six 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 2015, the cumulative total of participants reached 10,622. * Manufacturing companies in which the SWS stake exceeds a certain level.

Status of ISO 14001 Certification

Our Group companies in Japan have obtained ISO 14001 certification based on each area of ISO 14001-certified organizations. The domestic affiliates listed in the right table are included in these areas. In terms of overseas Group companies, 40 out of 57 companies have obtained certification (as of the end of March 2016).

Results of the Audits

ISO 14001 Registered Organization	Number of Sites	Internal Resi		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.	9	2	54	0	12
Eastern area of Sumitomo Wiring Systems, Ltd.	11	0	27	0	16
Western area of Sumitomo Wiring Systems, Ltd.	9	1	26	0	5
Total	35	6	140	0	39

Environmental Training Categories	Number of Participants	
1. Introductory training	Training for new employees	314
2. Training for recently transferred employees	Training for employees transferred from other regions and mid-career workers	516
3. Refresher training	Training includes environmental fairs	8,845
4. Environmental management training	Staff in charge of the EMS	138
5. Environmental auditor training	Candidates for internal auditors	35
6. Special environmental training	Training for qualified persons	491
7. Training on significant environmental aspects	Applicable employees	200
8. Other training	External seminars, tours of other companies, etc.	83
Total		10,622

Total

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

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 Smile Corporation	October 2015

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 2015 Targets and Results, and Fiscal 2017 Targets

Action ECO-21 Phase VI Targets (FY2015–2017, base year: FY2012)		FY2015			FY2017 (last year of Phase VI)
		Targets	Results	Evaluation	Targets
Prevention of global warming (CO ₂ reduction)	Save energy globally (reduce consumption per unit of sales*1)	Reduce by 12%	Reduced by 17.5%	0	Reduce by 20%
	Save energy in offices (reduce consumption per unit of floor area*2)	Reduce by 3%	Increased 0.5%	×	Reduce by 5%
	Reduce CO₂ emissions from logistics per unit of sales (in Japan)	Reduce by 3%	Reduced by 12%	0	Reduce by 5%
Promotion of resource saving and recycling	Promote zero emissions* ^a (in Japan)	0.3% or less	0.01%	0	0.3% or less
	Reduce absolute volume of waste (in Japan)*4	Reduce by 3%	Reduced by 8.3%	0	Reduce by 5%
	Promote zero emissions (overseas)	5% or less	7.8%		9% or less*7
	Reduce water use per unit of sales* ⁵ (in Japan and overseas)	Reduce by 3%	Reduced by 15.5%	0	Reduce by 5%
Expansion of environmentally sound product range	"Eco Mind" registration ratio for new products	Register 100% of new products	60%		Register 100% of new products
	Increase ratio of environmentally sound products*6 in sales	83% or more	78%	Δ	90% or more

○: Target met △: Target unmet (improved from previous year) ×: 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 rate = (landfill + incineration) / Volume of waste (including valuable resources) *4 Waste (excluding valuable resources) *5 Consumption per unit of sales = Water use / sales *5 Consumption per unit of sales = Water use / sales *6 Environmentally sound products certified under the Eco Symbol Program of Sumitomo Electric Industries are also identified as "Eco-products." *7 Changed along with the new target for Sumitomo Electric Industries (5% or less → 9% or less)

Material Balance (in Japan)

INPUT	
Energy	
Purchased electricity	170 GWh
City gas	207,000 m³
LPG	130 +
Heavy oil A	176 u
Kerosene oil	285
Light oil	
Water	
Water	796,000 m³
Water supply	241,000 m³
Well water	384,000 m³
	172,000 m³
Raw Materials	
Copper, aluminum	29,000 t
Resins	31 000 +
Chemicals	
PRTR-regulated substances	19.9 t





OUTPUT	
Air	
CO2 emissions	94,000 t-CO2
SF6* emissions (CO2 equivalent)	
PRTR-regulated substances	
	2.0 t
Effluents	
Effluents	796,000 m³
PRTR-regulated substances	
Disposal	
Wastes (exclude valuable resource	es) 1,500 t
Material recycling	
Thermal recovery	
Landfill + incineration	
PRTR-regulated substances	2.1 t
Recycling	
Valuable resources (including copper, copper alloys) 17.000 t
(including copper, copper alloys	

* Sulfur hexafluoride

Prevention of Global Warming

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 2015, overall Group greenhouse gas emissions were 371,000 tonnes.

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

(FY2015 target)	12% reduction per unit sales from FY2012
FY2015 result	17.5% reduction per unit sales from FY2012

Consumption of per unit energy at our manufacturing companies in Japan fell 17.5% from fiscal 2012 as a result of energy saving, thereby meeting the target.

Also in fiscal 2015 we applied the energy-saving diagnosis by the Sumitomo Electric Industries Group in multiple sites in Japan. Moreover, we distributed to both our domestic and overseas sites a collection of energy-saving case studies that contained the results of activities such as the energy-saving diagnosis, EMS and the Special Subcommittee for Energy Saving. We will continue to add new case studies to the collection and share it throughout the Group.

In Japan, energy-saving monitoring, which includes monitoring temperature settings for air conditioning and confirming that unnecessary lighting has being turned off, and the Cool Biz and Warm Biz campaigns were also carried out in fiscal 2015.

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

(FY2015 target) 3% reduction per floor area from FY2012

2015 result 0.5% 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 increased 0.5% 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)

FY2015 target3% reduction per unit sales from FY2012FY2015 result12% reduction per unit sales from FY2012

Emissions of CO₂ from logistics in Japan were reduced by 12% per unit of sales from fiscal 2012, thereby meeting the target. We have made several improvements, including shortening the transportation distance by choosing a different shipping site and changing the transport route to facilitate the bulk transportation of products serving two neighboring sites.

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

Reduction of Waste (in Japan)

(FY2015 target)	Zero emission rate: below	0.3%
	Absolute volume of waste:	3 % reduction from FY2012
FY2015 result	Zero emission rate: below Absolute volume of waste:	0.01% 8.3% decrease from FY2012

To ensure the effective use of resources, we strive for zero emissions (no landfill waste) at all sites. In fiscal 2015, the zero emission rate was 0.01%, thereby meeting the target. We reduced the amount of waste (excluding valuable resources) through various approaches such as by using resin containing metal as a valuable resource and beginning to operate equipment for reducing the volume of wire drawing lubricant.

Promotion of Zero Emissions (Overseas)



To improve the accuracy of our data, we verified the actual conditions of the companies that had a significant amount of greenhouse gas emissions. After the verification, we found that some of the companies have changed their waste disposal method (from incineration to thermal recycle and material recycle). Our zero emission rate improved through such efforts.

Control and Reduction of Substances of Concern

With the intention of strengthening the management of substances of concern, we adopted the system of the Sumitomo Electric Industries Group, which we introduced to three of our sites (Yokkaichi Plant, Tsu Plant and Ibaraki Works) in fiscal 2015.

For our Group companies in Japan, the transaction amount of PRTRregulated substances were reduced by 9% compared to the previous year. Substances subject to mandatory reporting included antimony and its compounds, methylnaphthalene and xylene. Moreover, in compliance with the Law Concerning Special Measures against PCB Waste, the SWS Group stores PCB-containing devices, provides the required notifications and follows through with disposal.

Volume of Waste Disposed in Japan (Includes Valuable Resources)



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

Volume of Waste Disposed Overseas (Includes Valuable Resources)



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

PRTR-regulated Substances by Year (in Japan)



Environmentally Sound Products

The SWS Group launched the Eco Symbol Mark Certification System (environmentally sound product certification system) in compliance with ISO 14021 in May 2005 as a means for contributing to global environmental preservation through its products. A total of 48 products have been certified as of the end of fiscal 2015. The Eco Symbol Mark Certification Committee, chaired by the Corporate Environmental Management Officer, is responsible for the certification. In fiscal 2015, the ratio of certified products to sales was 78%, falling short of our target of 83%.

When developing new products or undertaking major design changes, we conduct environmental assessments and register the products as Eco Mind Products. While the registration rate is currently at 60%, our goal is to raise the coverage to 100%.



In addition, we recognize environmentally sound products that contribute to society, particularly by reducing CO₂ emissions, as Anti-Global Warming Products of the Sumitomo Electric Industries Group and calculate their contribution to reducing CO₂. In fiscal 2015, these products resulted in a 10,900 t-CO₂ reduction of CO₂ emissions.

To boost the sales ratio of environmentally sound products as well as the registration rate of Eco Mind Products, we will continue to focus our efforts on environmental protection through our products.



Creation of a Vigorous and Lively Workplace

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 Under the slogan "Let's create lively, dream-inspiring workplaces where we communicate actively and respect each other!" we have been promoting the development of dynamic workplaces since fiscal 2013 to encourage active communication, increase operational efficiency and promote diversity by raising employee awareness of human rights.

Every year, each department selects members for the dynamic workplace promotion committee, and these promotion officers share the information they have obtained by participating in human awareness training in their respective workplaces to deepen awareness of human rights. Promotion officers serve one-year terms to steadily increase the number of human rights conscious employees in each workplace, which ultimately instills awareness throughout the company. We have also established a system for the early detection of and response for dealing with harassment. For example, any promotion officer who recognizes a situation involving harassment will directly report the incident to the personnel division.

In addition, we are striving Group-wide to create sound working environments, such as assessing the conditions of each workplace through dynamic workplace patrol activities implemented by both labor and management and introducing good practices through Group newsletters. Through these efforts, we are endeavoring to create lively and vigorous workplaces.

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 We established our special subsidiary, SWS Smile, in May 2013 to promote the employment of physically or mentally challenged persons and enhance our support system to correspond with individual abilities. As of May 2016, three years after the commencement of its operation, SWS Smile has 31 physically or mentally challenged employees and 11 support staff members working for them. At first, these employees were mainly engaged in recycling work such as sorting and dismantling wire harness parts. They are now broadening their work options by continuously challenging themselves to engage in new tasks, such as maintaining the grass and vegetation around the company and shredding documents. In March 2015, we held an "Eco Bazaar" and donated the sales proceeds to support physically and mentally challenged persons in Mie Prefecture. We will continue to be actively involved in efforts such as expanding new businesses and hosting plant tours.

Global Personnel



Dynamic Workplaces Sought by the SWS Group



Employment of Physically or Mentally Challenged Þ Persons



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

Promotion of Active Participation of Women in the Workforce

In April 2016, the Act on Promotion of Women's Participation and Advancement in the Workplace came into force with the goal of realizing a society in which women in the labor force can play an active role by exerting their individual talents and skills. Sumitomo Wiring Systems has established numerical targets and action plans for creating a corporate culture in which employees with various backgrounds can demonstrate their abilities and actively contribute. Our action plans provide diversity management training for managers and diversity town meetings to raise employee awareness of diversity issues. The recruitment section of our website also introduces our young female employees in career-track positions and other employees who have advanced in their careers by balancing work with child-rearing. We are implementing measures that have a proven impact on each issue, and we will continue to steadfastly implement our action plans to promote women's participation in the workforce.

First Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Operational period

April 1, 2016-March 31, 2021

Targets

- 1. Double the number of female managers by fiscal 2020.
- 2. Achieve an employment ratio of female career-track employees of 30-40% for administrative work and 10-15% for engineering work.

Action plan

(Initiative 1) Formulation of the diversity management guidebook (Initiative 2) Implementation of diversity management training for managers (Initiative 3) Implementation of diversity town meetings (Initiative 4) Promotion of the hiring of female career-track employees

Work-Life Balance

We proactively carry out measures that support employees in balancing work and family life.

Under Japan's Act for Measures to Support the Development of the Next Generation, 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. In addition to further improving various child care and nursing care initiatives, including child care leave and reduced working hour programs, we focused on expanding measures for work-life balance, such as introducing a system that makes it easier for both male and female employees to participate in child-rearing and implementing Parent's Meetings. As a result, we acquired both the Platinum Kurumin Mark and the third Kurumin Mark certification (the next-generation accreditation mark certified by Japan's Ministry of Health, Labour and Welfare) in May 2016. We will continue to implement measures that support the success of each and every individual, fully respecting the diversity of the lifestyle choices of our employees.

Voice



Balancing Design and Development Work and Child-Rearing

Yumi Aoki

Design I, Power Electronics Division, Electronics Department

I returned to work two years ago after the end of my maternity leave, and I am in the same position that I was in prior to the leave, which is designing automotive electronic products. Although there is a heavy responsibility attached to my work, I am able to balance work and child-rearing because of the support provided by those around me and as well as being able to change the rhythm of work by utilizing the flextime system. Even if my child suddenly develops a high fever or another health problem that causes no end of concern for parents, thanks to the working environment at SWS, which is supportive of child-rearing, I feel comfortable asking my supervisor to adjust my workload depending on the situation at home. I am very grateful for this support, and I will continue to do my best to deliver quality products as a designer.



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

FY	2012	2013	2014	2015
Number of employees	7	9	18	21

* Includes employees using accumulated days off





Platinum Kurumin Mark

Policy for Cultivating Human Resources

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

Personnel Philosophy

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

Personnel Policy

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

Fostering Human Resources through Company-wide and Department-wide Training

Increasing Employee Capacity



Capacity Building Programs

SWS Group capacity building programs are grounded in our belief in the potential of each employee, and through them we acknowledge the spirit of challenge that employees possess while encouraging capability building aligned with career goals. We therefore set short-term goals every year for capacity building that are within the framework of the annual goal management and personnel evaluation systems. In our personnel division, training programs for managers are held regularly to help them to conduct employee evaluations suited to each individual with consideration for their career vision for the future and to draw out their full potential. Employees set their own job-related goals and bolster their skills through on-the-job training. 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 (training, self-development, etc.) they have created through career development discussions with their supervisors.



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 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 managers. These efforts are intended to cultivate global human resources throughout the Group.

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 2015, 13 participants from Europe, the United States, China and other Asian countries took part in this opportunity to expand their executive-level abilities and knowledge.

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 2015, 19 individuals from 10 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.

• 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 2015, the 19th year of the program, 110 employees who joined the company this year were dispatched to four plants in Vietnam and the Philippines for training.

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 292 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



Utilizing the Knowledge Gained from Training for Both Personal and Organizational Growth

Jin Zhekui Harness Management Division, Harness Business Department, Huizhou Zhurun Wiring Systems Co., Ltd. (HZR)

The GLP was very meaningful training for acquiring the knowledge necessary to be a global leader. Top management personnel explained SWS's corporate policies, market environment, requirements for this year and 17Vision, and that helped me to gain a deeper understanding of the company. With the goal of becoming a leader equipped with vitality, creativity and the ability to respond to change, I will continue applying what I have learned. Also, I will share that knowledge with others in my workplace to create a working environment that allows every employee to carry out their work cheerfully, vigorously and energetically.



Global Leadership Development Program



Regional Managers Training



New employee training at an overseas plant



Contributing to the Local Communities

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.

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 SWS Group newsletters, which also serve as a forum for communicating and exchanging information on the social contribution activities of the SWS Group.

CSR Activity Awards

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. In the selection process, we review each activity in terms of its continuity and the level of contribution to the local community and select the activities that we feel merit the highest recognition. During the ceremony, the activities are praised to communicate the importance of contributing to society through commendable efforts around the world. The awards are effective in encouraging employees to emulate these kinds of activities.

In fiscal 2016, the sixth year of the awards, we recognized the activities of four Group companies in Japan and overseas (see page 30).

Communicating with Local Communities

We have adopted a variety of approaches to 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. In fiscal 2015, we implemented a program for elementary and junior high school students to experience manufacturing wiring harnesses as part of the Mie Jobs Caravan, a work experience event organized by the prefectural government. Through the event, we contributed to revitalizing the local community by sharing with children the excitement of work and the pleasure of manufacturing. As an upstanding corporate citizen, we will continue to promote activities rooted in local communities.



SWS Group newsletters



Award ceremony



Experiencing the manufacturing of wiring harnesses at the Mie Jobs Caravan

Supporting employees' own volunteer activities

SWS supports employees who are involved in volunteer activities outside the company. Through SWS Group newsletters, we share their stories about how they started volunteering and what they think about the activities, including their sense of fulfillment, as a means of encouraging and motivating other staff to get involved in volunteering. We will continue to support employee personal volunteerism for social contribution efforts.

Activities around the World (CSR Activity Award Recipients for Fiscal 2016)

Invitations to students and neighborhood residents and event sponsorship

Vietnam

SDVN: Sumidenso Vietnam Co., Ltd.

SDVN presented lectures on environmental conservation to 300 elementary students in the neighborhood as part of its efforts to raise environmental awareness around World Environment Day. The company also donated trees for planting, waste collection carts and trash bins to elementary schools in the neighborhood. In addition, it encouraged communications with neighborhood residents by inviting about 5,000 people to a lion dance performance and chorus during Autumn Festival holidays.

Staging unique social contribution campaigns

Poland

SEBN-PL: SE Bordnetze-Polska Sp. Zo.o

SEBN-PL stages a wide variety of social contribution campaigns focused on environmental conservation. The company organized campaigns such as participation in the Environmental Conservation Charity Run and tree planting in forests near the company site as part of its environmental education program for employees. Many employees participated. In addition, the company strives to raise environmental awareness by, for example, distributing pamphlets on environmental issues to employees.

Donation of clothing and toys, and contribution to social well-being

SEBN-MA: SE Bordnetze Morocco S.A.R.L.

SEBN-MA collected clothing that employees no longer wear and donated over 1,500 items of clothing to residents in poor communities. In addition, the company visited a pediatric hospital and donated toys and books to hospitalized children. It has also encouraged blood donations, resulting in donations by 250 employees in fiscal 2015.

Engaging with local communities by promoting the employment of persons with disabilities and conducting factory tours

SWS Smile, Ltd.

SWS Smile has actively received trainees with disabilities and recruited persons with disabilities as part of its efforts to promote the employment and improve the occupational skills of persons with disabilities. A total of 31 people with disabilities have worked at SWS Smile as of June 2016. In addition, the company has received over 400 visitors for factory tours every year. It also promotes open communications with local residents by presenting the content of its SWS Smile business and opening its workplace to visitors.













Japan



索

Morocco

SWS is celebrating its 100th anniversary. "Connect with the Best" for the next 100 years.





General Affairs Department (CSR Committee Secretariat) 5-28 Hamada-cho, Yokkaichi, Mie 510-8528 TEL: 81-59-354-6201 FAX: 81-59-354-6318 http://www.sws.co.jp/en