

# CSR Report 2017

Corporate Social Responsibility Report





# Making Connections across the World

# 100<sup>th</sup> Anniversary

SWS provides connections not only throughout Japan but across the world. These valuable connections that our business affords across the World and between people contribute to the development of local communities. SWS will continue to soar in its worldwide vision far into the future in order to deliver a richer, more comfortable quality to everyday life.

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## Editorial Policy

The Sumitomo Wiring Systems (SWS) Group publishes an annual CSR report to share information on Group activities with stakeholders. In this report, our 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, 2016 through March 31, 2017 (fiscal 2016)  
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



## To Become a Group that Continues to Grow for the Next 100 Years

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

*Thawai*

### **Celebrating Our Founding's 100th Anniversary**

December 22, 2017 will mark the 100th anniversary of our founding as a company that manufactured electric wires. Since then we have grown into an international, premier-class partner for automobile manufacturers focused on automotive wire harnesses. As the automobile industry developed in Japan, we were able to expand our business onto the global stage, now covering 34 countries worldwide. Fiscal 2017 is the final year of the Vision 2017 medium-term management plan, and we will continue to implement initiatives to meet our goals of achieving a 30% global market share and becoming the leading global company in the wiring harness business.

Our success throughout the years could not have been possible without the support of all our stakeholders, especially our customers, for which we are deeply grateful. We ask for your continued support and cooperation as we move forward into the next 100 years.

### **To Become a Company that Is Indispensable for Global Automobile Manufacturers**

Since the collapse of Lehman Brothers, the global automobile market, led by trends in emerging countries, has consistently expanded for seven consecutive years, reaching an annual production volume of 90 million vehicles. This has been more than a growth in quantity; vehicle functions have been evolving at an unprecedented scale and speed. Automobile manufacturers have been accelerating the development of electric and fuel cell vehicles as one means for addressing global concerns such as global warming, depleted resources and environmental pollution. At the same time, they have been developing self-driving technology toward eradicating fatal traffic accidents, alleviating traffic congestion and improving convenience. Networked cars, which improve safety and convenience through their connection to a range of applications and services as ICT terminals, are also becoming more common on the road. With more companies entering the automobile industry from other industries and mega-suppliers leading in the development of cutting-edge technologies, the automobile market is undergoing a significant transformation.

All of these factors represent an opportunity for further development, and we will continue to challenge ourselves by setting our sights on becoming the top company for capabilities related to product development, manufacturing and human resource development. Moreover, we will accelerate the transformation of the international market by strengthening our worldwide marketing power, which enables us to identify the needs of automobile manufacturers accurately both in Japan

and overseas by closely monitoring global trends and promptly sharing the information throughout our global organization. To emerge as an indispensable partner for automobile manufacturers across the world, we will deliver value to society through the evolution of automobiles and the resolution of social issues by strengthening our ability to create development proposals and ensuring rapid production.

### World's Most Rewarding and Vibrant Company to Work for

We are engaged in an ongoing mission to deliver value for our stakeholders for the next 100 years by achieving sustainable growth while succeeding in the face of global competition. Amid today's rapidly changing business environment, people represent the essential factor for fulfilling our mission. With this belief in people as the Group's key asset and recognizing that the combined efforts of people with different values and capabilities produces the best results, we announced the SWS Group Diversity & Inclusion (D&I) Declaration in May 2017.

To take advantage of the vital concepts of diversity and inclusion, we must actively accept and recognize the value of differences in backgrounds, views and values as well as in nationality, sex, age, employment history and disability. We will strive to become the world's most rewarding and vibrant enterprise that naturally attracts a diverse workforce by helping every individual to grow and demonstrate their full potential.

Organizational success depends on the accumulated output of every individual over the years. We will cultivate a workplace culture that encourages employees to freely communicate and exchange opinions on issues or improvements, large or small, and promotes a healthy work-life balance for boosting employee motivation and productivity. Furthermore, we intend to provide an environment in which all employees can work with enthusiasm and energy, achieve self-development goals and produce better results as individuals and as part of the organization as a whole.

### Advancing to a Higher Level

We are constantly working to improve customer satisfaction. We believe that the key elements for achieving our goal is SEQCDD, where S stands for safety, E for the environment, Q for quality, C for cost, D for delivery and D for R&D. Particularly as a manufacturing company, we put safety as our top priority in the workplace. Any major accident significantly impacts employers and their family members and could lead to significant inconvenience for customers if the plant is required to suspend operations. I will play my part in raising safety awareness among employees by patrolling worksites, pointing out issues or problems and encouraging employees to look after each other. While we have already implemented a high level of safety measures throughout the SWS Group globally, safety is a never-ending concern. To advance to a higher level, we will continue to deploy our safety systems to eradicate any dangerous situations and achieve zero accidents.

### Principles Supporting the Business of the Sumitomo Wiring Systems Group

All Group business operations are based on the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principles. The Sumitomo Business Spirit states that Sumitomo's business is founded first and foremost on the value of trust, emphasizes the importance of a positive, progressive spirit to respond quickly and appropriately to changes in society and strongly admonishes against acting rashly and carelessly in pursuit of easy gains. The Sumitomo Wiring Systems Group Basic Principles also convey the meaning, "make all the connections surrounding us prevail over our competition in the best way."

We believe that CSR is about each and every employee embodying these business principles and spirit to deliver sustainable growth and fulfilling our role as a good corporate citizen. Through a broad range of CSR activities, we hope to see our global offices deeply rooted in and working together with the local communities they serve. The entire Group will work together with the common objective of becoming a corporate group that is trusted, preferred and valued by all our stakeholders.





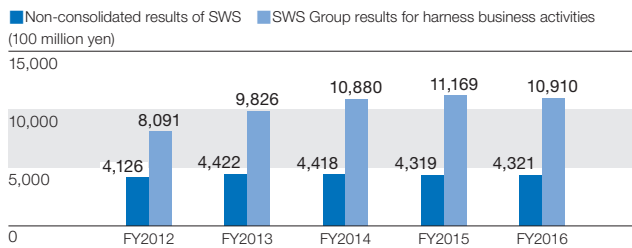
## » Company Overview

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

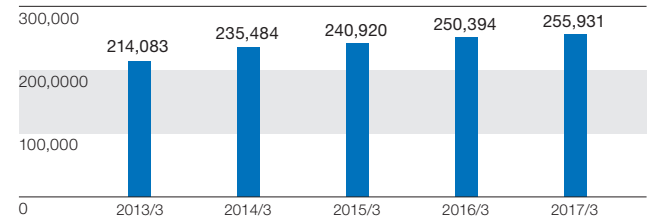
Sumitomo Wiring Systems was established as an electric wire manufacturer in 1917 during the foundation period for industries in Japan. With the advancement of the motorization in Japan following World War II, we started producing wiring harnesses and parts for automobiles. Since then SWS has focused 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, and we will continue to advance as a world-class partner for automotive manufacturers.

Company Name: Sumitomo Wiring Systems, Ltd.  
 Established: December 1917  
 President: Fumiyo Kawai  
 Capital: 20,042 million yen (as of March 31, 2017)  
 Head Office: 5-28 Hamada-cho, Yokkaichi, Mie Prefecture, Japan  
 Affiliates: 13 in Japan, 103 overseas  
 Employees: 12,876 in Japan, 243,055 overseas  
 255,931 in total (as of March 31, 2017)

### » Sales



### » Number of Employees Worldwide



## » Global Business Development

### Head Office (Yokkaichi)

5-28 Hamada-cho, Yokkaichi,  
 Mie 510-8528  
 TEL: 81-59-354-6200  
 FAX: 81-59-354-6318

### Head Office (Tokyo)

Akasaka Center Building 11th Floor,  
 1-3-13 Motoakasaka, Minato-ku,  
 Tokyo 107-0051  
 TEL: 81-3-6384-5600  
 FAX: 81-3-6384-5601

### Japan

13 corporations

- Sales Offices/Branches
- Production Facilities/Offices/Centers
- ◆ SWS Group/Affiliates

### China

28 corporations

### Americas

11 corporations

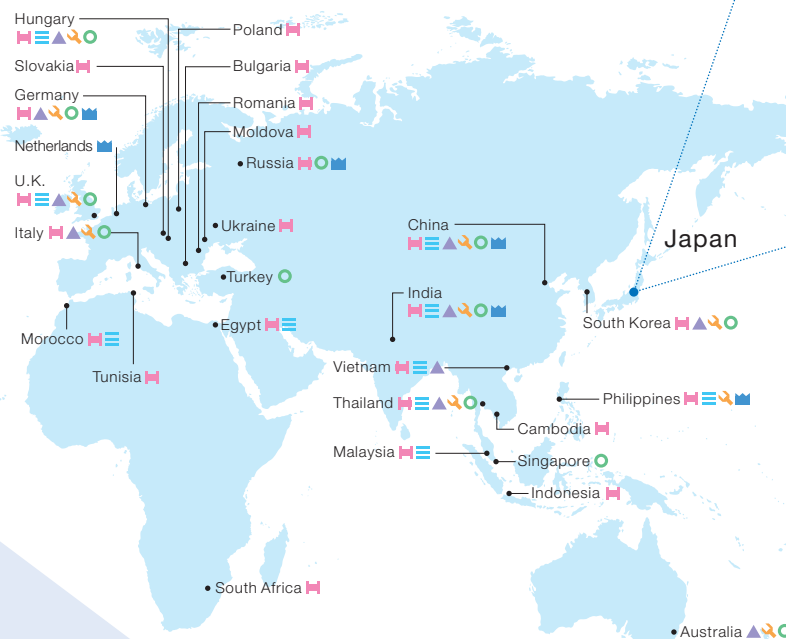
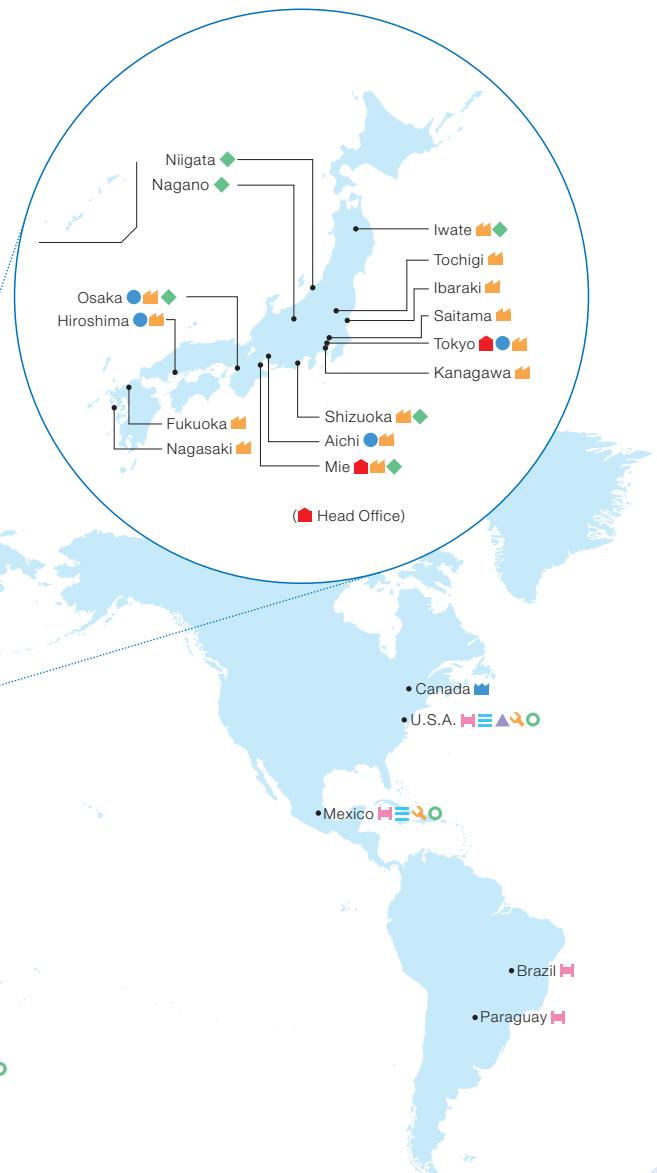
### Asia and Oceania

32 corporations

### Europe and Africa

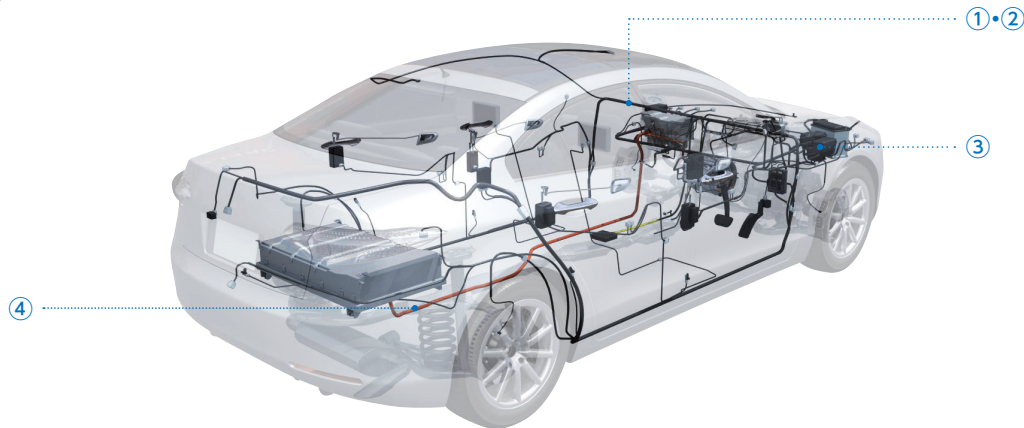
32 corporations

- Manufacture of harnesses
- Manufacture of electric wire
- Manufacture of components and electronics
- Technical Centers
- Sales companies
- Holding companies, etc.



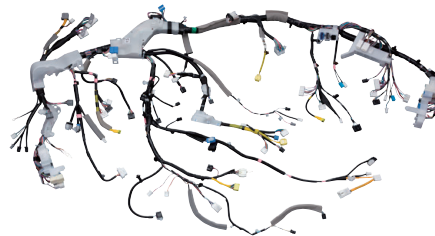
## » Our Products

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.



## 1 Wiring Harnesses for Automobiles

Wiring harnesses that connect various components to transmit electric signals are literally the life lines of vehicles. Our wiring harnesses, produced with a high level of technology, have been supporting the evolution of automobiles. Aluminum harnesses that reflect our successful efforts to significantly reduce weight have greatly contributed to improved vehicle fuel efficiency. Our under-floor pipe harnesses, resistant to high temperatures and high current flows, spurred the popularization of hybrid cars. And recently we have developed optical harnesses that enable high-capacity, high-speed data transmission and thereby support the next generation of vehicles in an invisible yet indispensable way.



Wiring harnesses



Aluminum wiring harnesses

## 2 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, and each wire is responsible for carrying electric signals and energy used for starting the engine, lighting, meters and other vehicle devices.



Aluminum electric wires

### 3 Electronics

High-performance electronic components are increasingly indispensable alongside rapid progress in artificial intelligence for automobiles. Sumitomo Wiring Systems has developed a number of electronic components such as those that facilitate smart entry systems for keyless operation and support the latest self-driving systems.



Relay module of busbar and substrate



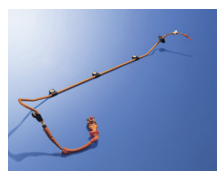
Central gateway ECU



Integrated wheel speed sensor with EPB harness

### 4 Products for EV/HEV/PHEV

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



Pipe harness



Power cable terminal block



EV/PHEV charging connectors

### Other Harnesses



Wiring harnesses for two-wheeled vehicles



Wiring harnesses for equipment



# 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 a positive, progressive spirit in continuous decision making on the adoption or abolition of business projects, without being complacent about 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.

### Business Philosophy

The Sumitomo Business Spirit

Sumitomo Wiring Systems Group Basic Principles

### Action Guidelines and Standards

Charter of Corporate Behavior

Mid- and long-term business plan

Group policy

Division and department policies

Daily operations

SWS WAY

## » 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 shared by 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.

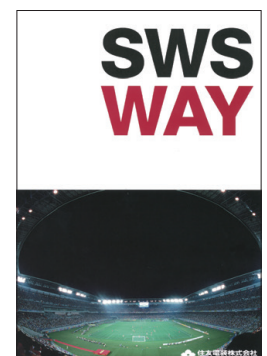
We, the executives and employees of the Sumitomo Wiring Systems Group, shall regard the “Sumitomo Wiring Systems Group Charter of Corporate Behavior” as specific rules and guidelines and conduct ourselves in accordance with the Charter to fulfill these corporate principles.

<b>① Provision of excellent products and services</b>	We shall provide excellent products and services that are socially useful and safe to satisfy customers in all aspects including quality and costs.
<b>② Development of new, original business and products</b>	We shall devote ourselves to developing new, original, profitable business and products by understanding the customers' needs and demonstrating our surpassing creativity.
<b>③ Global business expansion, and growth and development of the Group</b>	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.
<b>④ Consideration for global environment</b>	We shall act in a voluntary and proactive manner for global environment preservation, and contribute to the establishment of a sustainable society.
<b>⑤ Observance of laws and regulations</b>	We shall strictly observe domestic and international laws and regulations, and always act fairly and openly.
<b>⑥ Fair and appropriate business activities</b>	We shall promote fair, transparent, free competition and legitimate trade.
<b>⑦ Action with awareness as members of society</b>	We shall act with awareness as members of society to create a better society, and make great contributions to society.
<b>⑧ Harmony with international society</b>	We shall aim to be a global company trusted by international society.
<b>⑨ Establishment of pleasant working environment and cultivation of personnel</b>	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.
<b>⑩ Appropriate information disclosure and promotion of communication</b>	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.

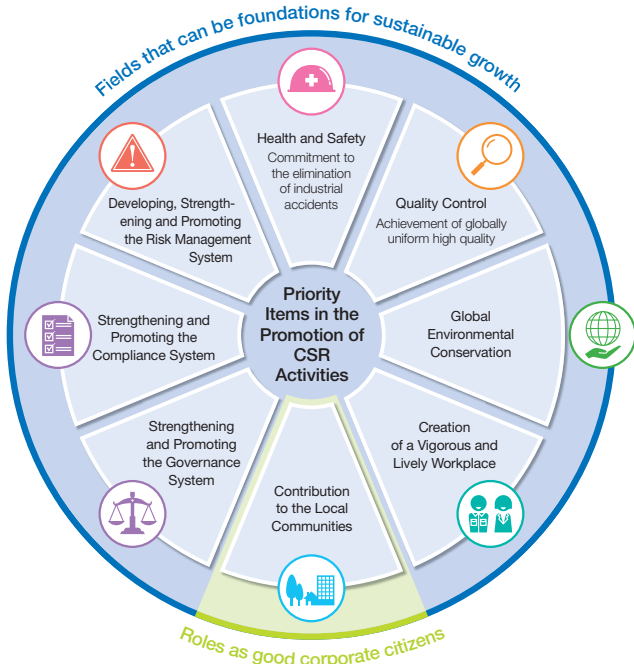




## CSR Management

### » 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.



**Trust of stakeholders**  
As a global corporate group

**The “ideal image”  
of what the SWS Group  
wants to become through  
CSR activities**

Global corporate group that offers globally common best quality

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

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

### » 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.	<ul style="list-style-type: none"> <li>Complying with laws, regulations, administrative guidance, etc.</li> <li>Paying taxes</li> </ul>	<ul style="list-style-type: none"> <li>Communication through industry organizations</li> <li>Filing various notifications, responding to surveys/questionnaires</li> </ul>
Global environmental conservation	We conduct business to create an affluent society with full consideration for environmental preservation.	<ul style="list-style-type: none"> <li>Reducing the volume of greenhouse gas emissions</li> <li>Promoting energy saving and recycling</li> <li>Reducing the volume of waste</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental regulations by the government, local public entities and other organizations</li> <li>Environmental conservation activities based on the PDCA cycle</li> </ul>
Customers	We deliver products and services centered on our core business of automotive wiring harnesses to customers around the world.	<ul style="list-style-type: none"> <li>Providing safe, high-quality products and services</li> <li>Improving customer satisfaction</li> <li>Providing accurate, timely product information</li> </ul>	<ul style="list-style-type: none"> <li>Communication through sales activities</li> <li>Company websites</li> <li>Exhibitions</li> </ul>
Local communities, NPOs/NGOs	The Group contributes to local community development as a good corporate citizen doing business in more than 30 countries.	<ul style="list-style-type: none"> <li>Respecting different cultures and customs, contributing to local community development</li> <li>Preventing accidents and disasters, paying due consideration to the environment</li> </ul>	<ul style="list-style-type: none"> <li>Community development activities by employees (both domestic and international)</li> <li>Plant tours, events</li> <li>Regional development, inheritance of traditional arts</li> </ul>
Employees	With about 250,000 employees world-wide, we strive to provide a positive and vigorous working environment characterized by mutual respect.	<ul style="list-style-type: none"> <li>Providing a workplace where human rights are respected</li> <li>Utilizing diverse human resources</li> <li>Creating a workplace culture that facilitates the balancing of work and family life</li> <li>Building capacity in alignment with career goals</li> </ul>	<ul style="list-style-type: none"> <li>Activities for promoting the development of dynamic workplaces</li> <li>Group newsletters</li> <li>Corporate intranet</li> <li>Town meetings</li> </ul>
Suppliers	Recognizing suppliers as valued business partners, we promote openness, fairness and honesty in all transactions.	<ul style="list-style-type: none"> <li>Fair and honest transactions</li> <li>Respect for human rights</li> </ul>	<ul style="list-style-type: none"> <li>Procurement activities</li> <li>Supplier surveys</li> <li>Global Suppliers Meeting</li> </ul>

### » 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 Topic | SWS's Centennial History

# SWS Group's Connecting Power Toward the Future

Tokai Electric Wire, the precursor of Sumitomo Wiring Systems, was born as a manufacturer of electric wires that were indispensable for Japan's modernization at the beginning of the 20th century, as Japan was taking its first steps into international society following the opening of the country. This year marks the company's centennial.

Over the course of the company's 100 years, Japan evolved into an economic superpower and Sumitomo Wiring Systems grew to be an enterprise operating in 33 countries with 256,000 employees across the world.

Looking back, we realize how closely intertwined the company's journey has been with the progress of society as a whole. We therefore look forward to seeking further growth over the next 100 years as we continue to evolve with society.





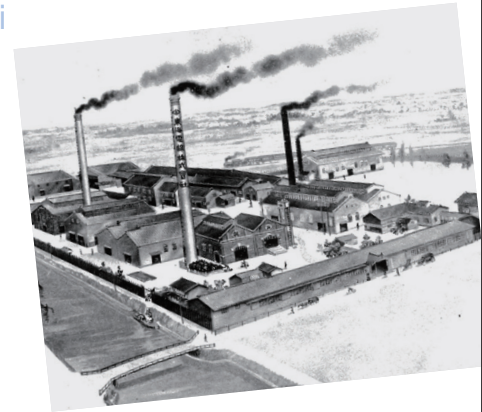
1910

1914–1918  
World War I

## Started Wire Production in Yokkaichi in Responding to Modern Japan's Industrialization

The inaugural stage in Yokkaichi

The history of Sumitomo Wiring Systems reaches back 100 years to the beginning of Japan's modern industrialization. After the Meiji Restoration in 1868, government policy encouraged new industries across the country. The wave of modernization and industrialization also reached Yokkaichi, which had long thrived as a center of commerce. In February 1917, convinced that an electric wire business would flourish, Kozaemon Ito the 7th and Monshichi Kuki invited Kyusaku Fukasawa, an expert in electric wire production, to jointly launch Tokai Electric Wire Works in Yokkaichi, where the Yokkaichi Plant stands today. In December 1917, the works was incorporated as Tokai Electric Wire, Co., Ltd.



Panoramic view of Tokai Electric Wire

1920

1923  
Great Kanto Earthquake

1930

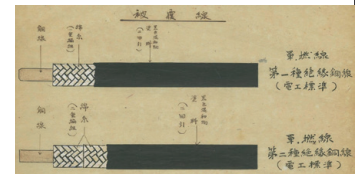
1930  
Showa Depression

## Joins Sumitomo Group to Survive Showa Depression

A turning point in a turbulent era

Tokai Electric Wire, born amid the booming economy of the First World War, steadily expanded its business and launched sales offices in more cities, including Tokyo, Osaka and Fukuoka. However, in 1929, the Great Depression engulfed the world economy, drawing Japan as well into a severe recession, which came to be known as the Showa Depression. Tokai Electric Wire was not spared and soon found itself in financial difficulties approaching bankruptcy. To surmount the crisis, the company formed capital and technological partnerships with Sumitomo Electric Wire & Cable Works (current Sumitomo Electric Industries, Ltd.) in 1931 and became a member of the Sumitomo Group. Joining the Group represented a turning point for Tokai Electric Wire, enabling the company to survive the recession and celebrate its 20th anniversary in 1937. But in that year the Sino-Japanese War broke out, followed by the Second World War, which forced the company to dedicate its production to meet Japan's military needs. In June 1945, an air raid hit Yokkaichi, leaving the town a sea of flames, and Tokai Electric Wire suffered severe damage.

When the war ended, Ihei Yoshida, then President of Tokai Electric Wire, declared that the company would focus on production to meet civilian demand and help reconstruct Japan as an advanced nation, and it moved quickly to ramp up production of electric wires. Thanks to the government's preferential allocation of copper and other major materials to electric wire makers for the reconstruction of the country's electricity infrastructure, Tokai Electric Wire could recover faster than other sectors and attained its pre-war production level just three years after the end of the war.



"Tokyo Wire" threads, used for insulating coating units, was a major product.

1940

1939–1945  
World War II

Sumitomo Electric Wire & Cable Works



20th Anniversary party

1950

1960

1964

Tokyo Olympics



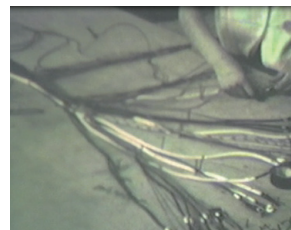
## Growth of SWS's Wiring Harness Business Keeps Pace with the Automobile Industry

The solidifying stage for domestic production

Tokai Electric Wire restructured its management from 1956 through 1959 to drastically shift from previous dependency on electric wires, an Achilles heel that had made the company vulnerable to economic recessions. One measure was the launch of a wiring harness business.

In 1957, Tokai Electric Wire received its first order for wiring harnesses, 40 sets for buses ordered by Kawasaki Aircraft Co., Ltd. (currently Kawasaki Heavy Industries, Ltd.). Since then, orders of wiring harnesses for two-wheel, three-wheel and four-wheel vehicles have rushed in from Honda Motor, Co. Ltd., Suzuki Motor, Co., Ltd. (current Suzuki Motor Corporation) and Daihatsu Motor Co., Ltd. In the years following the Tokyo Olympic Games, motorization advanced rapidly in Japan, exponentially increasing domestic automobile production. Tokai Electric Wire also grew rapidly and, in 1965, the company launched the Sayama Plant in Saitama Prefecture in response to the increase in orders, as the first of other factories that would be built across the country. Besides the launch of production plants, the company founded production companies, including Toyo Harness, Co., Ltd. Tokai Electric Wire had then emerged as an enterprise equipped with a complete production system for meeting demand in Japan.

Tokai Electric Wire made its first overseas foray in 1978. The target was Brazil, where Honda Motor and Yamaha Motor had just started local production of two-wheel vehicles, and the company founded Sumiden-Tokai do Brasil Industrias Electricas Ltda. (STB) to manufacture wiring harnesses for this line of products. STB was a small company with only ten employees, and most of the plant operators were Brazilians who did not understand English or Japanese. The Japanese workers dispatched from Japan to Brazil, with its completely different culture and lifestyle, managed through a period of struggle to turn the company's first overseas foray into a major success, paving the way for many other employees who would venture abroad in the 1980s and later.



Production of wiring harnesses for buses



Assembly at Sayama Plant

1970

1980

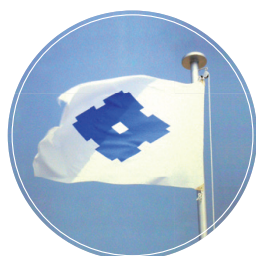
1985

Plaza Accord

1986–1991

Bubble Economy

1990



## World-class Business Matured in Yokkaichi Begins to Open Production Sites Overseas

International diffusion and expansion stage



President Shimizu delivering a greeting at the Nagoya Stock Exchange

In 1985, Tokai Electric Wire changed its trade name to Sumitomo Wiring Systems, Ltd. and was listed in the second section of the Nagoya Stock Exchange in 1986. Japan was then in the midst of a bubble economy triggered by the rapid appreciation of the yen following the Plaza Accord in 1985, and Japanese automobile manufacturers were starting mass production for domestic and overseas markets while accelerating local production outside the country. Sumitomo Wiring Systems also aggressively pushed forward with its global expansion, starting production in the mid-1980s in Asian countries, where labor was more abundant and cheaper than in Japan, and founded Sumitomo Electric Wiring Systems, Inc. (SEWS), a joint company with Sumitomo Electric Industries, in Kentucky, U.S.A. in 1986.



2000

2001  
9/11 Terrorist  
Attacks in the U.S.

2007  
Global Financial  
Crisis

2010

2011  
Great East Japan  
Earthquake

2017

The establishment of SEWS marked a bold move for Sumitomo Wiring Systems, and it became the centerpiece of its strategy for global development. Originally arising from the necessity of addressing U.S. requests to procure, produce and hire in the U.S. amid escalating Japan-U.S. trade tensions, the establishment of SEWS emerged as a pillar of the company's global strategy, the key for opening the doors of GM, Ford and Chrysler and to significantly boost the company's global market share.

Sumitomo Wiring Systems entered the European market in the 1990s and then the Chinese market in the 2000s. Its overseas production ratio of wiring harnesses exceeded the domestic ratio in 1996 as a result of becoming a supplier of Fiat and other European companies and the afore-mentioned Big 3 automobile companies in the U.S. The company was rapidly becoming a global player beyond the Japanese market.



## Further Evolving as a Global Enterprise

The global growth period

Sumitomo Wiring Systems swapped its stock with Sumitomo Electric Industries in 2007 to become a wholly-owned subsidiary. The move solidified the company's business base toward the goal of becoming a larger, world-scale manufacturer.

The company has recently entered into the markets of emerging economies where motorization is accelerating. Also, it is honing its technological prowess in response to next-generation automobiles, which will be more intelligent and electronically based than today.

At Sumitomo Electric Wiring, we will continue pushing back our horizons to realize sustainable evolution as a global enterprise prepared for a major leap forward into the next 100 years.



SEWS at its founding



Skill Olympic Games with participants from around the world



Where sustainable technology connects with the future



## Toward the Next 100 Years through "Connecting Technology"

## VOICE

We are compiling a book on the 100-year history of Sumitomo Electric Wiring Systems as one of the projects celebrating the company's 100th anniversary. As we learn and understand more about our history, we are reminded that we would not have arrived at this point without the hard work of the many people before us.

We will therefore mention the debt we owe to the passion, vision and decisions of our forerunners for the company's continued growth while also building solid relationships with stakeholders and fulfilling our corporate responsibilities. The book will also describe the milestones of the company's history to deepen

connections with readers.

We hope that you will read the book, as we are confident you will find it to be informative and inspiring.

Last but not least, we want to express our sincere gratitude to all those who form the foundation of our company, who we hope will also benefit and build on the valuable experiences of this journey.

Editorial members of the 100th Anniversary Project Team

From left: Tomoya Akiyama, Motonori Kido, Kazuhiko Mori, Jun Aguni, and Takaya Namiki





## 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.



**Imelda Concepcion**  
Senior General Manager, Business  
Management Division  
Pilipinas Kyohritsu Inc. (PKI) (Philippines)

### Making the Utmost Effort to Prevent Bribery

Today the entire nation of the Philippines is working to eradicate criminality and corruption, and PKI also recognizes this as a significant issue that must be addressed. My main role as a bribery prevention manager is to watch for any employee who may have engaged in illegal bribery with government officials, such as by offering entertainment or gifts. In fiscal 2016, all of the 36 incidents related to the offering of entertainment, gifts and donations were confirmed as appropriate through investigating events, including such considerations as amount or value, date of event, method, background and frequency.

We will continue to make the utmost effort to fully comply with all laws and regulations. At the same time, we will be ever-mindful of the Sumitomo Spirit, Banji-nissei (meaning: do your sincere best, not only in business but also in every aspect of your life), and Shinyo-kakujitsu (meaning: place importance on integrity and sound management), as well as Fusu-furi (meaning: no immoral business).

### » Corporate Governance System

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

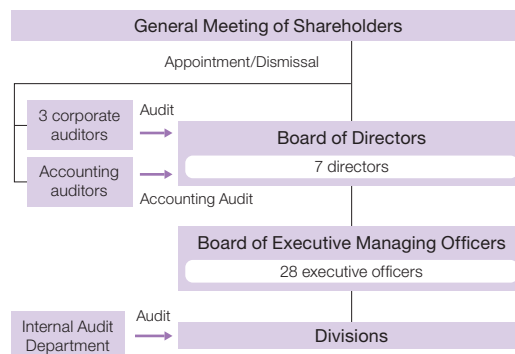
The Board of Executive Managing Officers conducts preliminary reviews of key issues to inform the Board of Directors in its deliberations as the final decision-making authority. Three corporate auditors audit the business execution performance of the directors at SWS to ensure the soundness and adequacy 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

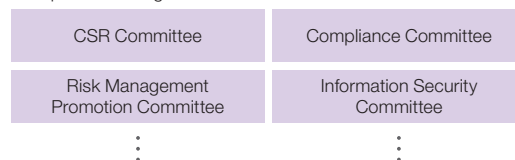
We established a compliance manual in 2005 to as guidelines for daily operations. Every SWS Group employee is expected to adhere to the guidelines in the spirit of acting under the highest ethical standards. Meetings of the Compliance Committee, chaired by the director in charge of legal affairs, are 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 2016. 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.

### » Corporate Governance System (as of September 30, 2017)



### Group-wide Management Activities





## » 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 2016, 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 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.

## » 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 2016, 11 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 promote mutual trust with suppliers. A total of 220 participants from 118 companies in 9 countries attended our April 2017 meeting. We provided an overview of the business environment of our harness business, 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 including quality, cost and delivery (QCD). Six companies were recognized as outstanding suppliers for fiscal 2016.

\* Q: Quality, C: Cost, D: Delivery

## » Efforts to Strengthen Compliance with the Subcontract Act

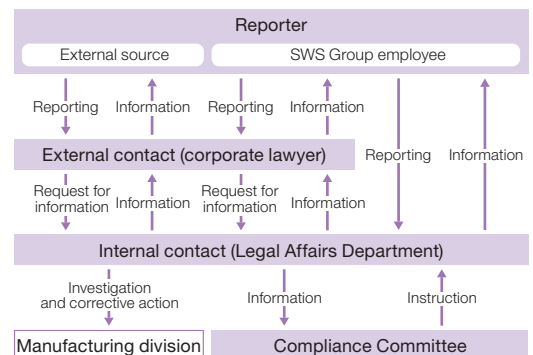
In December 2016, the Subcontract Act Operation Standards and the promotion standards under the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises specified by the Small and Medium Enterprise Agency were revised. The revisions added new detailed rules concerning transactions between subcontracting companies and subcontractors governing price determination, cost bearing and payment conditions. In response to the revisions, we have begun implementing initiatives to strengthen and promote appropriate transactions with our subcontractors.

In terms of price determination and cost bearing for mold storage expenses, we have established internal rules based on the new standards. As for the payment method, we have strengthened initiatives to promote cash payment. Moreover, we are raising the awareness of all employees on legal compliance by providing extensive and effective internal training programs on how to conduct proper transactions.

## » Compliance Training (Fiscal 2016)

Type of Training	Number of Sessions	Number of Participants
Training for New Employees	2	137
Training for Mid-career Recruits	12	85
Position-based Training	14	615
Optional Training	8	201
Compliance Training on Competition Law	1	761
Harassment Prevention Training	4	256
Other	12	231
Total	53	2,286

## » Compliance Reporting



## » Procurement Policy

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

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



**Working to Be the Best Partner by Deepening Collaboration across Global Businesses**

**Jianxiong Hu**

General Manager  
Ningbo Schlemmer Automotive Parts Co., Ltd.

As an automotive parts manufacturer offering integrated design, development, production, sales and services, we mainly deliver harness protection parts and tube system parts to customers around the world. Sumitomo Wiring Systems has provided tremendous support and valuable input on the costs at each stage, from recommendation and procurement of raw materials to production and shipment. As a result, our cost improvement efforts have paid off, as confirmed by the two awards we received at the Global Suppliers Meeting in fiscal 2016: the Global Contribution Award and the Cost Improvement Award. With our "positive and progressive spirit," we will continue our efforts to establish the best possible partnership worthy of the trust of Sumitomo Wiring Systems.



# 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.



**Minako Imanishi**

IT Infrastructure Planning Group,  
Systems Engineering Department,  
IT Management Division  
Sumitomo Wiring Systems

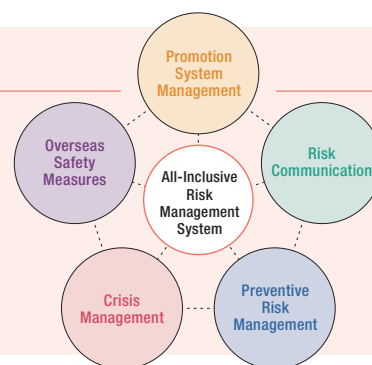
## Protecting the SWS Group from Computer Viruses and Risks of Information Leakage

Part of my job is to implement measures to prevent computer viruses and information leakage. To prevent risk, technical measures are required such as prevention of illegal access and provision of ongoing training and awareness-raising activities for all employees who handle company information. While our efforts have been primarily directed at our domestic offices, we have recently begun to focus on measures for overseas affiliates in response to the increasing global threat. We ensure that all employees are well informed and prepared through measures such as distributing awareness-raising posters, providing training based on the circumstances of each overseas affiliate and giving assistance in the event of any computer virus infection.

I will continue to strengthen our information security measures to protect important Group information, maintain the status of zero infections from computer viruses and zero information leaks while promptly taking action to minimize damage when faced with imminent risk.

## Risk Management Basic Policies

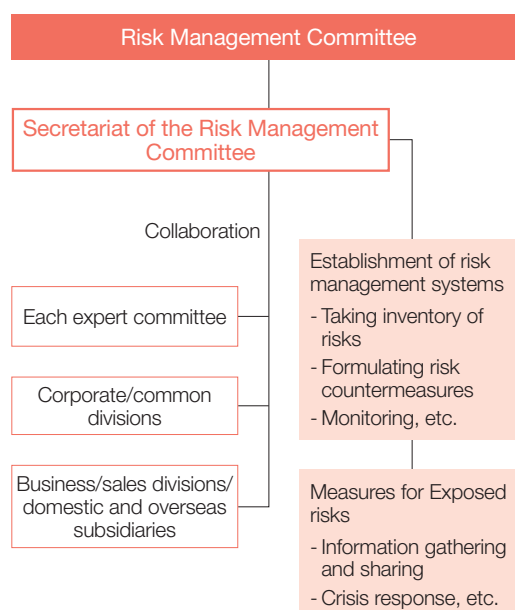
Within the framework of the Sumitomo Wiring Systems Group Basic Principles, the Risk Management Basic Policies clearly stipulate corporate policies that require us to give priority to human life; to strive to improve quality, secure safety and ensure a stable supply of products; and to maintain good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



## » Risk Management System

Under the Risk Management Committee, the Sumitomo Wiring Systems Group oversees various risks surrounding the business activities of the Group and promotes measures to mitigate these risks. The ongoing globalization of business is leading to an increasing number of situations confronting companies with a variety of risks, including disasters, accidents and political unrest in many countries. We established the Risk Management Office as the secretariat of the Risk Management Committee in April 2017 to address these issues and strengthen our management system worldwide. In order to comprehensively identify risks, we have taken an inventory of risks throughout the Group and are currently reviewing and formulating countermeasures for those of high priority. Moreover, risk management efforts are promoted by risk managers assigned to 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.

## » Roles of the Risk Management Office





## » 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. Therefore, we are currently developing a prompt response system for rapidly sharing information 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 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 situations, and we will document our BCP\* to further strengthen Group management.

\* Business Continuity Plan: a BCP is an action plan that includes measures to minimize impact on key operations based on the assumption of the occurrence of an unforeseen event such as a natural disaster or an accident and to promptly restore or resume operations should such an event disrupt the continuation of business.

## » Initiatives in Fiscal 2016

To increase the resilience of the entire SWS Group to risks, we are developing and reviewing our BCP and strengthening our internal systems so that each department can act promptly and in collaboration in the event of an emergency.

### • BCP

We have established a 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.

In fiscal 2016, we continued to reconsider the action plan for the stage of preparation for restoration and to upgrade and ensure consistency of the BCP by encouraging collaboration among Group companies and departments. In addition to periodic disaster map exercises (24 times in fiscal 2016), we conducted field training exercises for both initial response and restoration, which include the use of satellite phones and starting generators. In terms of the physical aspect, we use 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.

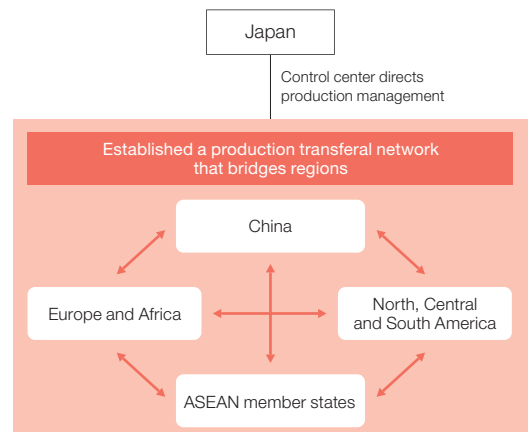
In parallel with these efforts, we surveyed and interviewed our suppliers to identify those that exert a significant impact on our production and supply. Also, we strengthened emergency countermeasures to enhance risk management capabilities across the entire supply chain.

### • Information Security Measures


We recognize the importance of proper protection and management of information assets in our operations and have the Standards for Information Security Countermeasure, which defines our organization and information management methods for ensuring security information based on our stance stated in the Information Security Policy.

We have established a system to quickly execute surveys, analysis and countermeasures, starting from the point of contact of the Information Security Committee if an incident occurs. In fiscal 2016 we strengthened our global system and worked to collect and analyze information, and now we are developing an emergency response manual assuming that incidents can occur at any time.

## » Global “Bridge Production System” for Times of Disaster



During a BCP collaborative exercise



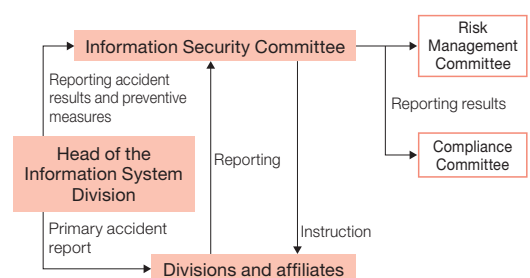
**Building Organizational Resilience**

**Kohei Tsukada**  
Team Leader  
General Affairs Group, General Affairs Division, Sumitomo Wiring Systems

Voice

As the secretariat of the Business Continuity Subcommittee, I am working on systematic implementation measures including in-company education and training. The effectiveness of our BCP vitally depends on establishing a shared understanding of the importance of business continuity across the company. In fiscal 2016, we provided a group education program to raise employee awareness by inviting a university professor well versed in earthquake and disaster prevention. Every year we implement a drill for setting up the Disaster Countermeasures Headquarters with the participation of executives. The practical usefulness of the drill is increased by introducing new validation items, including the transportation of relief supplies and routes in addition to confirmation of the initial response. We want to contribute to strengthening the company's BCM through continuously implementing these measures.

## » Information Security Management Structure





# 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.



**Jon Poyner**

Manager, Corporate Safety,  
Environment and Risk  
Sumitomo Electric Wiring Systems  
(SEWS) (U.S.)

### Safety Is a Way of Life

I am currently in charge of safety management and disaster prevention activities at each SEWS site across North America. In the 22 years since I joined the company, I have been working to improve our safety management system, at first as an employee and then as a manager.

Under our corporate philosophy, “safety is our top priority,” we have adopted multifaceted approaches. However, what we really want is very simple; that is: “all employees go home the same way they came to work.”

I believe in the idea that “safety is a way of life.” This means that our behaviors and attitudes toward safety should be the same at our workplace or home. We analyze the behavioral characteristics of individuals, promote efforts to help employees recognize their safety awareness and habits and recommend that they share safety knowledge with their family members and friends. All these organizational efforts are made simply because we want our employees to realize the idea that “safety is a way of life.” I’m very proud to be a member of a company that always strives to achieve the highest level of safety.

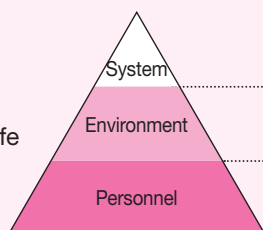
## Philosophy and Policy

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

### › Safety Activity Policy

Vision 2017: Establish “Zero” risks

→ Achieve “Zero” accidents  
Realize zero accidents with a safe environment and safe actions.



### Safety management system

Standardize and establish an audit mechanism (compliance)

### Safe environment

Implement 5S rules and create a safe environment for buildings, equipment and work

### Prevent unsafe actions (education and training)

Improve safety knowledge and awareness

### › Focusing on Raising Global Awareness

Most of the industrial accidents that have occurred in our workplaces happened during non-core tasks such as transport, maintenance and cleaning as well as due to human error such as tripping or falling while walking. 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 habits to prevent injuries caused by falling and promotes educational activities under the slogan “STOP” to raise safety awareness. Recognizing the importance of raising the level of safety awareness of every employee, we employ a wide range of approaches, such as putting up posters in different languages, having employees say safety phrases in unison, providing information through in-house broadcasting and a TV monitor display and conducting safety training. In addition, we created the Safety Handbook for Maintenance Work, which lists compliance matters for maintenance work, and distributed it to about 2,000 employees to raise safety awareness.

### › STOP Slogan

- S** Do not take a short cut and watch your step
- T** Do not text or talk on the phone while walking
- O** Hold on to the handrails when using stairs
- P** Do not put your hands in your pocket while walking



Safety Handbook for Maintenance Work

英語版がありましたら  
ご支給ください



## » 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 2016 we experienced a decrease in industrial accidents, including eight in Japan and three 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.

## » Strengthening Safety Measures for Forklift Operators

Most of the transport work conducted in our workplaces uses forklifts, and forklift-related 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, and adopting a proximity alert system for pedestrians as well as warning lights. The effectiveness of these measures has been reflected in zero accidents caused by forklift operation in fiscal 2015 and 2016, and the measures have been completed in fiscal 2016.

## » Equipment Certification

Since the introduction of a safety certification program for our production equipment in 2012, a risk assessment and safety confirmation must be conducted in areas where equipment is operated. Since most of the equipment, including locally procured equipment, was installed before this mandate, we started a review of our 15,418 pieces of equipment in fiscal 2016, which will continue into fiscal 2017, in order to confirm compliance with the current safety standards. In fiscal 2016, we placed priority on checking equipment with blades that could lead to serious accidents and those with rotating parts and crimping mechanisms and affixed safety stickers on equipment for which safety confirmation had been completed. As of the end of fiscal 2016, we have confirmed the safety of 81% of the total target equipment we intend to inspect by the end of fiscal 2017.

## » Health Initiatives

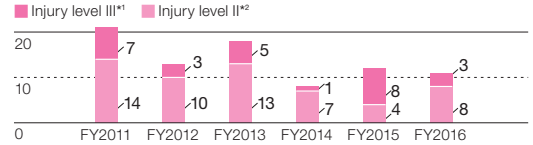
The "SWS Group's Health Initiatives" were declared with the belief that the health of each employee is a prerequisite for a lively company. We have implemented specific health promotion measures along with three priority initiatives. For instance, in April 2017 we changed non-smoking day to a day on which we aim to prevent passive smoking, and we are promoting related awareness activities. Each worksite in Japan will put up informational posters and support maintenance and promotion of mental and physical health to contribute to the development of an effective workforce from the viewpoint of "Kenkokeiei\*" (health and productivity management).

\* "Kenkokeiei" is a trademark of the NPO Workshop for the Management of Health on Company and Employees.

### • Walking Event

From the viewpoint of preventing metabolic and locomotive syndromes and encouraging employees to engage in exercise in enjoyable ways, we have been regularly holding walking events at the Suzuka Plant of Sumitomo Wiring Systems since fiscal 2013. In fiscal 2014, we added a road relay event for three-person teams to the walking event in order to facilitate communication among participants. We will strive for a healthy and vibrant corporate culture by promoting this event throughout the company and motivating employees to improve their physical and mental health.

## » 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)



Separating forklift operation from walking areas

## » Three Priority Initiatives in Our Approaches to Health

- 1 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.
- 2 Measures for mental healthcare**  
Actively promote self-care (self-awareness and stress control) and line care (improving stress factors by supervisors).
- 3 Measures for physical healthcare**  
Promote measures to prevent lifestyle-related diseases, aging and passive smoking.



### Exercise Awakening through a Walking Event

Tan Lee (left) and Erika Satomi

Power Unit Division, Electronics Department, Sumitomo Wiring Systems

While participating in walking events, I naturally become friends with my teammates and those off my team by chatting about various subjects other than the numbers displayed on our pedometers. We had so much fun walking in groups with our friends and colleagues during a one-day walking event when the time just flew by. Afterward, we had lunch and everything was exceptionally delicious. A lottery event was held after the lunch, and surprisingly I won an admission ticket to the confectionary expo, which made me very happy. I was never that much into exercising, but participating in this event awakened something inside me. I am now running in ten-kilometer marathon events, and I'd love to participate in a walking day event such as the road relay again next year.



During a walking event



# 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.



**Paul Healy**

Company Quality Improvement  
Manager, Quality Assurance Division  
Sumitomo Electric Wiring Systems  
(Europe) Ltd. (SEWS-E) (U.K.)

## Always Delivering the Highest Quality to Customers around the World

The key to promoting the "globally common quality" is to conduct an annual review of quality improvement policies across the entire SWS Group. While the SEWS-E is also working daily on quality improvements based on the SWS WAY, we follow the SWS Quality Policies for tasks such as formulating strategies and implementing additional measures. In fact, the key measures of the quality improvement indicated by the SWS Quality Policies in fiscal 2016, such as the 3 Point Control, were so effective that our claims index improved over the previous year. Improving the SEWS-E Quality platform is at the forefront of meeting customer expectations and remains a key focus for SEWS-E. We recognize this is a priority that merits our ongoing attention and are committed to achieving the SWS Group's objectives.

## Quality Policies

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

- ① Pursuing top quality in the world for customer satisfaction
- ② Developing designs, processes and mechanisms that preclude defects
- ③ Strengthening onsite capabilities for pre-emptive management and recognition of quality-related problems

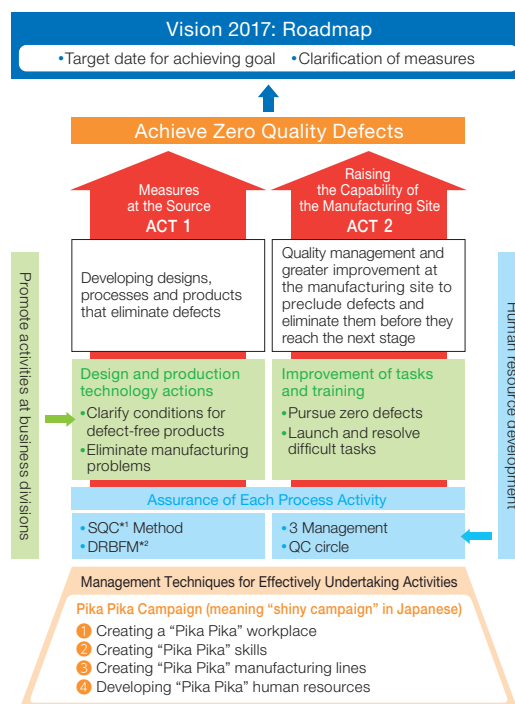
### » "Assurance of Each Process" Activity

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. 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.

#### • 3 Point Control

To prevent defects, we use 3 Point Control to promote a thorough management of three items at all our manufacturing sites: changes, abnormalities, and compliance with work standards. Moreover, we strive to manage changes in advance by identifying those associated with major events such as the production of new products or a sudden increase in production, people, equipment or materials. We define and manage abnormalities such as those that lead to product defects, including abnormalities in equipment, material quality and blackouts. To manage the compliance status of work standards, we select key work procedures and monitor one employee per process on a daily basis. Management is conducted with a higher level of sophistication by visualizing 3 Point Control and sharing issues with all employees at our manufacturing sites.

### » Priority Actions Related to Quality Improvement



\*1 SQC: Statistical Quality Control

\*2 DRBFM: Design Review Based on Failure Modes



## ● Pursuit of Customer Satisfaction

In fiscal 2016, despite falling short of achieving our objective of receiving zero claims, the frequency of claims received improved compared to the previous fiscal year. The SWS Group will continue striving for zero claims.

## » Earning the Respect of Our Customers

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 47 awards for our products in ten countries in fiscal 2016. We remain committed to delivering products that consistently merit the trust of our customers.

## » Onsite Practical Training for Quality Improvement Conducted at Overseas Manufacturing Sites

Most of the production of our Group occurs overseas including 97% of the total wire harnesses, which are our core products. To promote the SWS Quality Policies or "establishment of a structure for zero defects" and to achieve "zero complaints" under Vision 2017, we are committed to implementing practical onsite training for quality improvement at overseas manufacturing sites. Specifically we provide quality improvement training to the leaders of the local manufacturing and quality assurance divisions to eliminate any recurring defects within the processes. These sessions are conducted under our leadership and use locally produced products for analysis of defect causes.

After completing the training program, each trainee initiates voluntary improvement activities at his/her manufacturing site as a trainer and we follow up on these activities. This allows trainees to feel a sense of accomplishment in achieving goals and locally developed measures to be used for quality improvement at their sites. Currently there are 25 people being trained at our sites in Morocco, Romania and Egypt, leading to the establishment of the foundations for quality improvement and the spread of quality improvement activities at each site.

In fiscal 2014, we started providing training programs in Europe, mainly for people in Morocco and Romania, and then expanded to Egypt in fiscal 2016. These programs did not start out as perfect, and there was plenty of room for improvement in terms of the training methods, content in the materials and follow-up procedures being used. Through a number of improvements, our current training programs are evolving into a something more sophisticated and suitable for global deployment.

We will continue to review our initiative and systemize these programs to expand their reach globally to our sites in the Americas, China and ASEAN countries in addition to those in Europe and Africa.

## » 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. The 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 PK evaluation conducted annually since fiscal 2002, involves those in charge of quality at headquarters visiting all of our 111 overseas plants and conducting the evaluation for three days. It takes about 950 person-days to evaluate all plants and about 30 people in charge, who are dispatched to each site individually or as a team of up to three people. The evaluation is intended to accelerate improvements at each plant by clarifying weak points. In fiscal 2015, the evaluation, initially based on an overall score system, was revised and improved so that it would assess the degree of achievement in safety (S), quality (Q) and productivity (P). In addition, we held the Skill Olympic Games annually to increase the motivation of our employees toward further developing their skills, and outstanding operators from around the world gathered to compete in their respective areas of expertise.



Wire Harness Division contestants at the Skill Olympic Games

## » Awards Received in Fiscal 2016



Sumitomo Electric Wiring Systems (Europe) Ltd. (SEWS-E) (U.K.) won the Quality Excellence Award of Honda Motor.



## Aiming for Zero Defects by Utilizing the Knowledge and Skills Gained from the Training

Voice

### Mahmoud El Moghazi

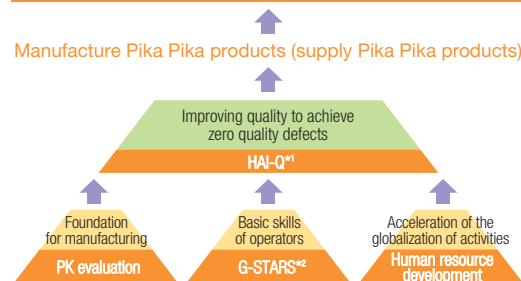
Inspection Leader, Quality Assurance Department, Port Said Plant, SE Wiring Systems Egypt S.A.E. (SEWS-Eg) (Egypt)

My job as a quality inspection leader is to manage and support cut and crimping inspections, and I do inspection work every day. I was always interested in quality improvement work, so I'm very grateful for this opportunity you have given me to receive the training.

In the training, I learned various theoretical methods to resolve quality issues such as different approaches to address quality issues, the QC7 tool and 5 Why analysis. I will share what I've learned from the training with my colleagues and practice the QC circle activity to achieve zero defects. I would like to thank all of the people at Sumitomo Wiring Systems who supported me throughout the training and gave me the opportunity to expand my knowledge.

## » Basic Concept of the Pika Pika Campaign<sup>\*1</sup>

### No. 1 Product Appeal and Globally Uniform Best Quality



<sup>\*1</sup> Based on the idea that creating a "Pika Pika" (shiny) mind, actions, skills, equipment and workites leads to "Pika Pika" products

<sup>\*2</sup> HAI-Q: Harness Innovation Quality

<sup>\*3</sup> G-STARS: Global Skill Training and Recognition System

## » Skill Olympic Games



### Electric Wire Division (SWS-Suzuka)

At the 10th Skill Olympic Games, we became the first group to have won the championship for three consecutive years. We will continue to seek improvement in our daily operations and our skills while raising our efforts to win the championship again next year.

### ● Electric Wire Division



### ● Wire Harness Division



### ● Parts Division



### ● Electronics Division





# Global Environment Conservation

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



**Nguyen thi Hue**

Assistant Manager, Safety & Environment Group, General Affairs Department, Sumidensu Vietnam Co., Ltd. (SDVN) (Vietnam)

## Aiming to Successfully Balance Environmental Conservation and Economic Development

I have been in charge of the safety and environment business at SDVN for the past 12 years. In recent years, Vietnam has made remarkable economic progress; however, the country is now faced with serious issues related to environmental consequences. Under these circumstances we are working together to save energy and resources and also placing priority on environmental protection training for stakeholders. Through the activities for raising the environmental awareness of our employees and by collaboratively working with those who are in charge of environment management at each SWS Group company in Vietnam, I'd like to contribute to the growth of our company.

## 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.

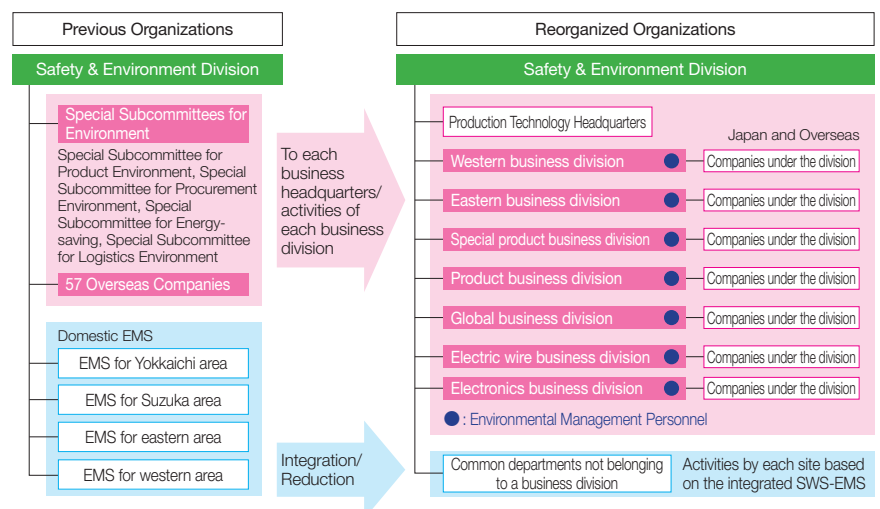
#### Environmental Preservation Action Guidelines

- 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, we will review our four-area environmental management system (EMS) and respond to the ISO 14001 2015 revised edition. This system has been reorganized from one centered on an environmental subcommittee, overseas companies and four domestic areas into one led by business departments and where each department assigns its environmental management officer. We will also ensure coordination with overseas companies to establish an internal audit system based on the international environmental standard. The entire SWS Group will make concerted efforts toward its implementation from fiscal 2017.

### » Environmental Management System Chart



## » 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 2016 Targets and Results, and Fiscal 2017 Targets

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

Action ECO-21 Phase VI Targets (FY2015–2017, base year: FY2012)		FY2016			FY2017 (last year of Phase VI)
		Targets	Results	Evaluation	Targets
Prevention of global warming (CO <sub>2</sub> reduction)	Save energy globally (reduce consumption per unit of sales <sup>*1</sup> )	Reduce by 16%	Reduced by 11.1%	×	Reduce by 20%
	Save energy in offices (reduce consumption per unit of floor area <sup>*2</sup> )	Reduce by 4%	Increased 3.5%	×	Reduce by 5%
	Reduce CO <sub>2</sub> emissions from logistics per unit of sales (in Japan)	Reduce by 4%	Reduced by 15.5%	○	Reduce by 5%
Promotion of resource saving and recycling	Promote zero emissions <sup>*3</sup> (in Japan)	0.3% or less	0.01%	○	0.3% or less
	Reduce absolute volume of waste (in Japan) <sup>*4</sup>	Reduce by 4%	Reduced by 4.3%	○	Reduce by 5%
	Promote zero emissions (overseas)	9% or less	9.2%	×	9% or less <sup>*7</sup>
	Reduce water use per unit of sales <sup>*5</sup> (in Japan and overseas)	Reduce by 4%	Reduced by 8.9%	△	Reduce by 5%
Expansion of environmentally sound product range	“Eco Mind” registration ratio for new products	Register 100% of new products	66%	△	Register 100% of new products
	Increase ratio of environmentally sound products <sup>*6</sup> in sales	84% or more	80%	△	90% or more

\*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

\*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		OUTPUT	
<b>Energy</b>		<b>Air</b>	
Purchased electricity	172 GWh	CO <sub>2</sub> emissions	95,000 t-CO <sub>2</sub>
City gas	215,000 m <sup>3</sup>	SF <sub>6</sub> * emissions (CO <sub>2</sub> equivalent)	200 t-CO <sub>2</sub>
LPG	444 t	PRTR-regulated substances	1.7 t
Heavy oil A	172 kl	<b>Effluents</b>	
Kerosene oil	314 kl	Effluents	740,000 m <sup>3</sup>
<b>Water</b>		PRTR-regulated substances	0.1 t
Water	740,000 m <sup>3</sup>	<b>Disposal</b>	
Water supply	231,000 m <sup>3</sup>	Wastes (exclude valuable resources)	1,500 t
Well water	317,000 m <sup>3</sup>	Material recycling	400 t
Industrial water	191,000 m <sup>3</sup>	Thermal recovery	1,100 t
<b>Raw Materials</b>		Landfill + incineration	1 t
Copper, aluminum	29,000 t	PRTR-regulated substances	2,700 t
Resins	31,000 t	<b>Recycling</b>	
<b>Chemicals</b>		Valuable resources (including copper, copper alloys)	17,000 t
PRTR-regulated substances	18.1 t	PRTR-regulated substances	600 t

\* 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 2016, overall Group greenhouse gas emissions were 392,000 tonnes.

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

**FY2016 target** 16% reduction per unit sales from FY2012

**FY2016 result** 11.1% reduction per unit sales from FY2012

Consumption of per unit energy at our manufacturing companies in Japan fell 11.1% from fiscal 2012 as a result of energy saving, thereby meeting the target. In November of fiscal 2016, we launched an air leakage countermeasure project for molding machines at the Tsu Plant. We also globally distributed our second edition of "the collection of energy-saving case studies," which contains our investigations on overseas cases. For overseas sites, we implemented energy-saving self-inspections and formulated action plans to save energy.



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

**FY2016 target** 4% reduction per floor area from FY2012

**FY2016 result** 3.5% 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 3.5% from fiscal 2012, falling short of our target. We will continue to make efforts to achieve our targets through analyzing the current situation and implementing countermeasures.

### » Reduction of CO<sub>2</sub> Emissions from Logistics (in Japan)

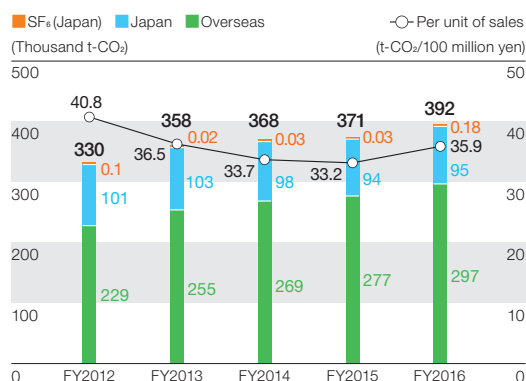
**FY2016 target** 4% reduction per unit sales from FY2012

**FY2016 result** 15.5% reduction per unit sales from FY2012

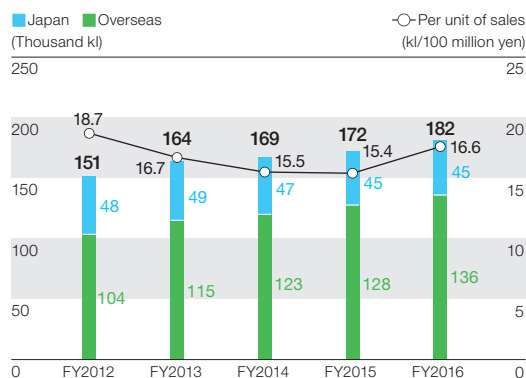
Emissions of CO<sub>2</sub> from logistics in Japan were reduced by 15.5% per unit of sales from fiscal 2012, thereby meeting the target.

We shortened the transportation distance by changing the shipping base from Yokkaichi to Yamato for automobile sales in Kanto and improved the Yamagata route from Yamagata to Yokkaichi. Also, we successfully implemented numerous modal shift initiatives, and we switched to ferry transportation between Yokkaichi and Marukawa.

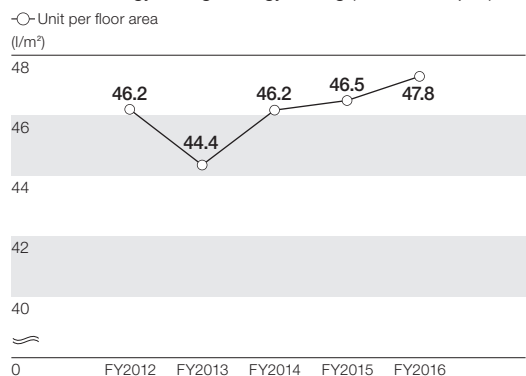
### » Greenhouse Gas Emissions in Japan and Overseas



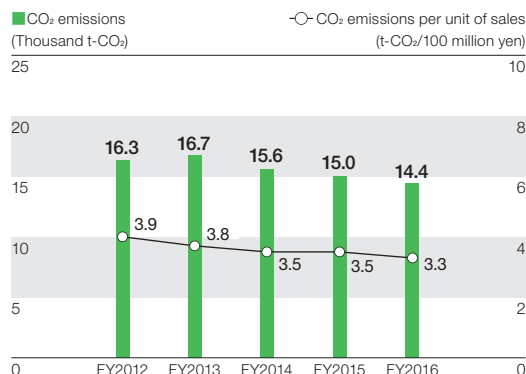
### » Per Unit Energy through Energy Saving (Manufacturing Companies in Japan and Overseas)



### » Per Unit Energy through Energy Saving (Offices in Japan)



### » CO<sub>2</sub> Emissions from Logistics (in Japan)



## Resource Recycling and Control and Reduction of Substances of Concern

### » Reduction of Waste (in Japan)

**FY2016 target** Zero emission rate: below 0.3%  
Absolute volume of waste: 4% reduction from FY2012

**FY2016 result** Zero emission rate: below 0.01%  
Absolute volume of waste: 4.3% reduction 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, and we achieved our target for absolute volume of waste.

### » Promotion of Zero Emissions (Overseas)

**FY2016 target** Zero emission rate: below 9%

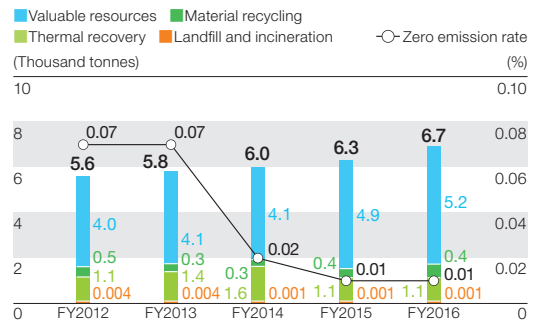
**FY2016 result** Zero emission rate: 9.2%

Our overseas zero emission rate fell slightly short of the target despite efforts by each company, including the use of waste as a valuable resource and recycling. We will work to improve our zero emission rate through such initiatives as rolling out successful examples and the details of activities suitable for each region.

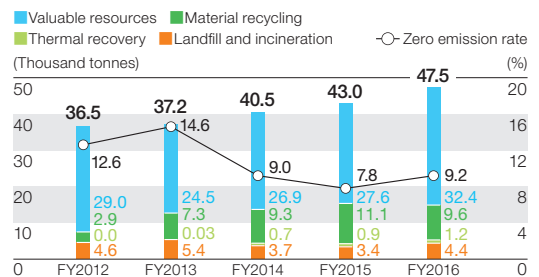
### » Control and Reduction of Substances of Concern

With the intention of strengthening the management of substances of concern, we adopted the system of the Sumitomo Electric Industries Group. For our Group companies in Japan, the transaction amount of PRTR-regulated 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.

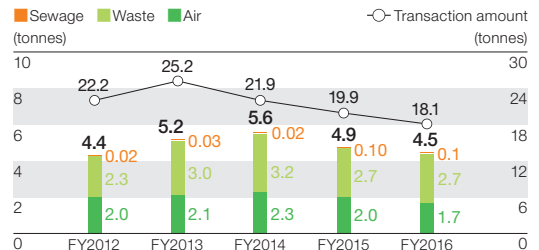
#### » Volume of Waste Disposed in Japan (Includes Valuable Resources)



#### » Volume of Waste Disposed Overseas (Includes Valuable Resources) PRTR-regulated Substances by Year (in Japan)



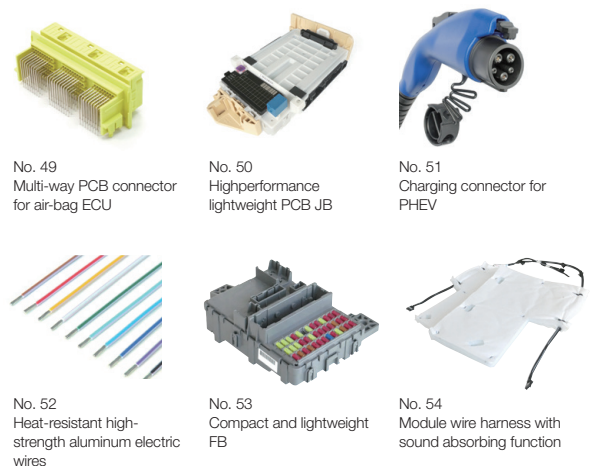
#### » PRTR-regulated Substances by Year (in Japan)



## 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 54 products have been certified as of the end of fiscal 2016. The Eco Symbol Mark Certification Committee, chaired by the Corporate Environmental Management Officer, is responsible for the certification. In fiscal 2016, the ratio of certified products to sales was 80%, falling short of our target of 84%. 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 66%, our goal is to raise the coverage to 100%. In addition, we recognize environmentally sound products that contribute to society, particularly by reducing CO<sub>2</sub> emissions, as Anti-Global Warming Products of the Sumitomo Electric Industries Group and calculate their contribution to reducing CO<sub>2</sub>. In fiscal 2016 these products resulted in a 12,800 t-CO<sub>2</sub> reduction of CO<sub>2</sub> 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.

#### » Products Certified as Environmentally Sound in Fiscal 2016





# 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.



**Naoko Matsushima**

International HR Section,  
Human Resources Department,  
Sumitomo Wiring Systems

## To Create an Environment in which Each and Every Employee Can Work Energetically

My main duty is to support foreign national employees who have been dispatched from our overseas affiliates in becoming more comfortable living in Japan as quickly as possible so they can concentrate on their work and produce better results. Also, as a member of the Diversity & Inclusion (D&I) Promotion project, I'm engaged in creating an environment in which all our employees can work with positive attitudes and higher motivation. Through my work, I've realized that in order to feel happy and content with your work, it is important to enrich your work and life experiences and also maintain a sound balance. The company must provide a work environment that allows individuals and organizations to achieve better results in a limited time while increasing productivity.

## Workplace Environment Policy

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

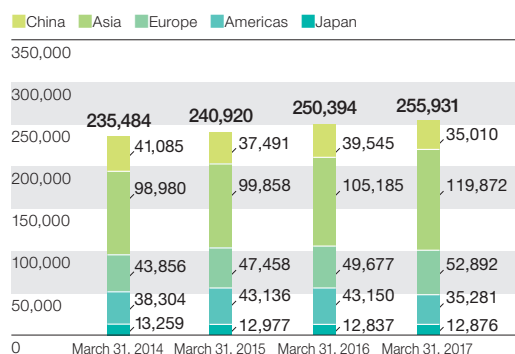
### » Activities for Promoting the Development of Dynamic Workplaces

Since fiscal 2013, we have been promoting the development of dynamic workplaces to encourage active communication, increase operational efficiency and promote the raising of employee awareness of human rights. The members of the dynamic workplace promotion committee, who are selected by each department every year, share the information that they have obtained by participating in human awareness training in their respective workplaces. Moreover, we have established a system for the early detection of and response for dealing with harassment. Any promotion officer who recognizes a situation involving harassment will directly report the incident to the personnel division. And we are striving to create sound working environments, such as assessing the conditions of each workplace through dynamic workplace patrol activities implemented by both labor and management and introducing good practices through Group newsletters.

### » Declaration on Diversity & Inclusion (D&I)

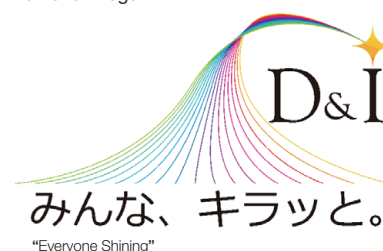
In May 2017, the SWS Group announced its declaration on D&I, which consists of three pillars: management reform, working style reform and promotion of the success of diverse human resources. We intend to become the world's most rewarding and vibrant company that naturally attracts people with different values and views, helps them to grow and enables them to demonstrate their fullest potential.

### » Global Personnel



Note: The number of personnel also includes partner companies and joint ventures.

### » D&I Promotion Logo



This logo expresses our belief that the company will grow when diverse human resources come together and work toward the same goals while individually proving who they are and thereby enabling both the individual and the organization to shine. The colorful lines represent diverse human resources and wire harnesses, the company's primary product.



### ●Promoting the Success of Diverse Human Resources

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

### ●Promotion of Active Participation of Women in the Workforce

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 who desire to play an active role in their workplace can exert 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.

As of April 1, 2017, the number of female managers was 24, or 1.4% of the total managerial positions. The number of hired female career-track employees was 11 for administrative work and 9 for engineering work. While the goal for the ratio of female career-track employees was achieved in April 2017, we will steadily carry out our action plan to promote the advancement of women in the workplace.

#### 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 (from 18 to 36).
2. Achieve an employment ratio of female career-track employees over 30% for administrative work and over 10% 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

### ●Promoting Employment of Physically or Mentally Challenged Persons

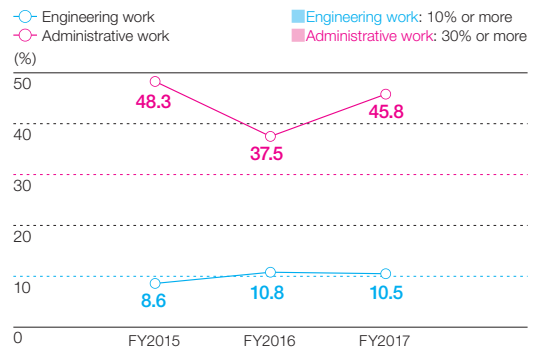
We established our special subsidiary, SWS Smile, in May 2013 to promote the employment of physically or mentally challenged persons and enhance our support system to correspond with individual abilities. As of May 2017, four years after the commencement of its operation, SWS Smile has 32 physically or mentally challenged employees and 12 support staff members working for them. At first these employees were mainly engaged in recycling work such as sorting and dismantling wire harness parts, but they are now broadening their work options by continuously challenging themselves to engage in new tasks, such as maintaining the grass and vegetation around the company and shredding documents.

### ●Global Relocation Program

In November 2016, we launched our new Global Relocation Program toward strengthening the development of human resources both in and outside of Japan and promoting the localization and diversity of our operations in Japan. The program is an upgraded version of the conventional overseas dispatching system. Some of the benefits we expect from it include the establishment of a corporate culture/system encouraging the active participation of diverse human resources, the reduction of domestic hiring and slowing the increase of expatriate employees. Similar benefits expected for local companies overseas include the development of management personnel, the improved technical skills of local employees, an increased retention rate and a greater sense of loyalty among proven, long-standing employees.

We will strive to be a company that supports active participation of diverse employees by further facilitating employee exchange arrangements with local companies.

#### Ratio of Hiring New Female Graduates for Career-track Positions



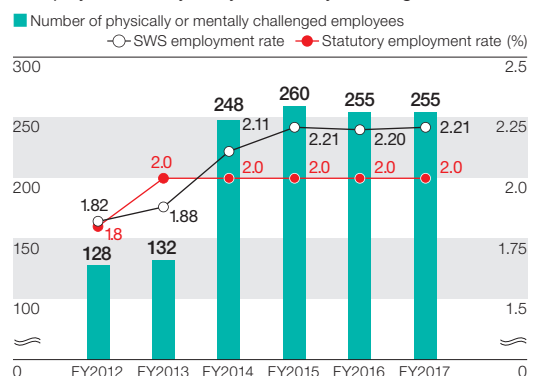
#### Expanding the Women's Group to Create a Lively Workplace

##### Itsuko Shirani

Deputy General Manager,  
Information Systems Technology  
Department, IT Division, Sumitomo  
Wiring Systems

Since the Equal Employment Opportunity Law went into force 30 years ago, many improvements have been made to the human resources system. But an increasing number of female employees are struggling with a situation in which they don't experience having enough confidence to seek a promotion, feel guilty when they go home before others do or desire more responsibility at work. With an intense desire to provide any help to these women, I formed a group consisting of female employees in career-track and management positions at my workplace. During our meetings, everyone shares with compassion and leaves the meeting with a smile. I would like to make our workplace an even better place by expanding the level of interaction and experience of happiness demonstrated by my group.

#### Employment of Physically or Mentally Challenged Persons



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



Employees on the job at SWS Smile, Ltd.

## •Work Style Reform

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

## •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 childcare and nursing care initiatives, including childcare 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.

As one initiative for supporting the success of employees with children, we opened the onsite day care center SWS Connect Kids in April 2017. Also, we encourages employees to take their paid leaves to maintain their work-life balance. In fiscal 2016, the average rate of paid leave taken was 73.5% and the annual total number of working hours per employee was 2,036.36 hours.

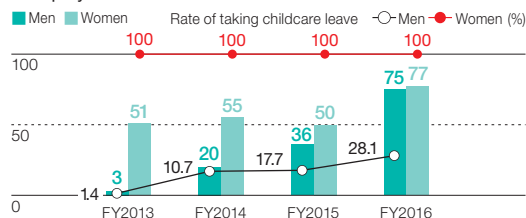
We will continue to implement measures that support the success of each and every individual, fully respecting the diversity of the lifestyle choices of our employees.

### Opening SWS Connect Kids, an Onsite Day Care Center

To support the success of employees with children, we opened the onsite day care center SWS Connect Kids at the Yokkaichi and Suzuka Plants. The name is derived from the corporate philosophy, "Connect with the Best," which expresses the desire for children to grow into adults who are connected to their local communities or the world.



### Employees Who Took Leave for Childcare



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

### Employees Who Took Leave for Nursing Care

FY	2013	2014	2015	2016
Number of employees	9	18	21	22

Note: Number of employees includes employees using accumulated days off.



Platinum Kurumin Mark



Kurumin Mark



### How My Wife Successfully Returned to the Workforce

Norihiko Tanaka

Wiring Harness Business  
Administrative Planning  
Department 1, Planning Group

Thanks to the opening of SWS Connect Kids, my wife has been able to successfully return to the workforce. After being a stay-at-home mom for a while, she started thinking about working again after our second son turned two and we started looking for a day care center. After submitting applications to several centers, we ended up being rejected because none of them had room for new applicants. But finally we found a center for our son—SWS Connect Kids. This place offered us several benefits in terms of convenience and safety. For example, we don't have to bring diapers or blankets for nap time, and the nursery teachers told us about our son's activities every day. I hope more and more people take advantage of this great day care center.

## Policy for Cultivating Human Resources

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

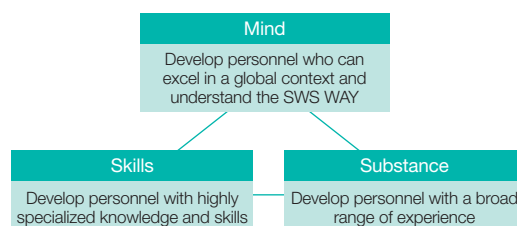
### Personnel Philosophy

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

### Personnel Policy

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

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



## » Capacity Building Programs

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

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 they 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. Also, 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.

### • 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 2016, we provided training sessions in the U.S. and Japan with 60 participants from 18 countries. We intend to cultivate global management utilizing local human capital.

### • 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 2016, the program's 20th year, 105 employees who joined the company this year were dispatched for training to four plants in Vietnam and the Philippines.

### • 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 352 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.

## » Past Training Programs

Type		FY2014	FY2015	FY2016
Number of training sessions	Electives	8	8	9
	Position and rank-based	29	29	30
	Recommended elective-based	19	27	25
	Optional	22	22	22
	Web-based	30	32	35
	Total	108	118	121
Number of attendees	Managerial positions	1,507	736	829
	Career-track positions	3,466	2,350	2,225
	General office work positions	1,540	1,492	1,576
	Total	6,513	4,578	4,630

Notes: Figures exclude career-track new employee training, training at overseas plants and onsite improvement practice training. In fiscal 2014, 2,854 people attended a workshop on the key points of the management of environmentally hazardous substances.



Regional manager training



New employee training at an overseas plant



### Utilizing What I Learned in Training to Contribute to SWS Group Development

#### Do Thanh Binh

Regional Manager, Sumi Vietnam Wiring Systems Co., Ltd. (SVWS) (Vietnam)

I participated in the Asia/Pacific Managers Training as a manager of the SVWS Manufacturing Division, and I felt that the time was very well spent. I learned again about the necessity of having all members of the workplace thoroughly understand the Sumitomo Electric Group Policy and SWS WAY toward ensuring customer satisfaction and the importance of leadership and staff development. In addition to contributing to SVWS, I hope to make it possible for the Sumitomo Electric Group to become the world's number one manufacturer, utilizing what I've learned at this training. Also, I'd like to maintain my relationships with the participants from other countries.





# Contributing to Local Communities

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



**Tomoya Akiyama**

Head of the Public Relations Team,  
General Affairs Division, and Team Leader  
of the Office to Promote Centenary  
Projects, Sumitomo Wiring Systems

## Making Special Contributions to Communities on the Occasion of our 100th Anniversary

Sumitomo Wiring Systems was born in Yokkaichi City, Mie Prefecture, and with the support of our many stakeholders, we have been able to surmount many crises to celebrate our 100th anniversary here. The SWS Group now operates in more than 30 countries and regions. It is important for every employee to recognize their role as a member of society and for the company to contribute to the development of each community as a responsible corporate citizen. Looking ahead, I hope to assist in the creation of a corporate climate that encourages social involvement of 250,000 Group employees by demonstrating my personal commitment to contributing to local communities.

## 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

Each affiliated company/office is taking a number of steps that correspond with the needs of the community to further invigorate our social contribution activities. In recent years we have encouraged employees to participate in activities sponsored by governments, NPOs and volunteer organizations as well as those organized by the company.

In order to support employee volunteerism, in addition to the volunteer vacation and cafeteria plan programs, 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

Every year the SWS Group reviews the social contribution initiatives of Group companies and recognizes affiliated companies for their exemplary social contribution activities by presenting awards at Group conferences. At these events, it gathers the supervisors of Group companies to encourage these efforts and promote their introduction to other Group companies. 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. This fiscal year, the seventh year of the awards, we recognized the activities of the SWS Suwa Daiko Japanese Drum Team, which has been continuing their social contributions for about 47 years.



SWS Group newsletter



Award ceremony

## » Initiatives in Japan

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.

### • Free Loan of Welfare Vehicles

Marking the 100th anniversary of its foundation, and as a means for demonstrating our gratitude to local communities, SWS began to loan welfare vehicles to nonprofit organizations in Kazenoie for free in March 2017 as well as in Nachuran in June of the same year. The company will bear the ongoing maintenance costs of the vehicles to reduce the burden on facilities for the disabled and contribute to a welfare field that has been experiencing a shortage of volunteer activities.

### • Promotion of Sports

This year we are supporting the Mie Women's Rugby Football Club, named PEARLS. In fiscal 2016 we recruited seven top athletes who had been members of the national rugby sevens/fifteens of Japan. In March 2017 we donated money and boccia equipment to Mie Prefecture and the Mie Social Welfare Corporation. Boccia is a sport created in Europe for people with severe cerebral palsy or comparable extremity dysfunction. We will actively support the Mie Women's Rugby Football Club, the development of athletes and activities to further expand sports opportunities for the disabled as well as the promotion of sports in general.

### • Support for the G7 2016 Ise-Shima Summit

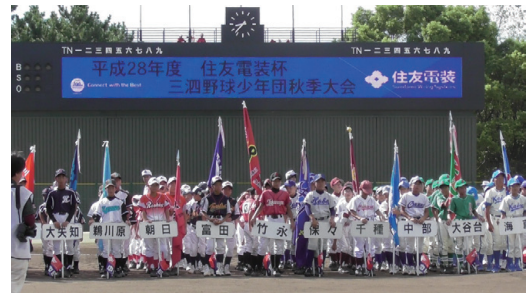
SWS received the Medal with Dark Blue Ribbon in September 2016 for the donation and dispatch of interpreters to the Mie Citizens Council to prepare for accepting the Ise-Shima Summit.

### • Mie Hydrogen Station Limited Liability Company (MHS)

In an effort for global environment preservation, SWS established MHS as a joint venture with 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.

## » Initiatives Outside of Japan

Our overseas sites are also making social contributions that fit the culture and needs of their locations. Their wide-ranging activities include donating food around the time of Ramadan, bringing Christmas presents to children in foster homes, renovating the exterior walls of elementary schools and supporting cancer patients and environmental protection activities. The number of reported activities was 84 in 2011 and increased to 205 in fiscal 2016, nearly a 2.4-fold increase over the past seven years, excluding corporate activities.



Sumitomo Wiring Systems Cup



Loaned welfare vehicle



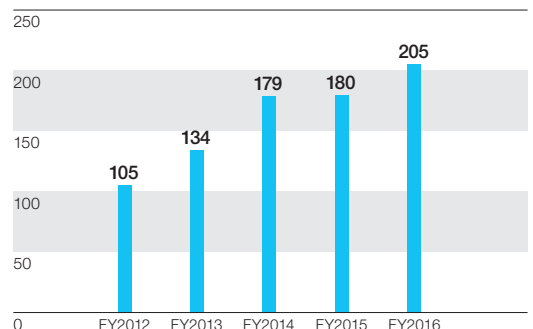
**Now We Can Pick up Electric Wheelchair Users**

**Ms. Tamiko Nozaki**

Representative Director  
Nonprofit organization Kazenoie

The staff and users of Kazenoie are profoundly grateful for the free loan of a welfare vehicle. Although we previously had used one light vehicle to pick up our users, we could not load electric wheelchairs. However, thanks to the loan of the welfare vehicle equipped with a lift, we can actively accept electric wheelchair users. Now two of our three wheelchair users are using electric wheelchairs. The welfare vehicle is also very useful for outdoor activities and other events. In the past we had to divide participants into groups at times because we just didn't have enough room. But the other day, all of us could enjoy karaoke and a lunch party together. We will continue to improve our services by making good use of this vehicle.

### » Increasing Number of Social Contribution Activities Reported by Group Companies



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



 **Sumitomo Wiring Systems, Ltd.**

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