

# SWS CSR



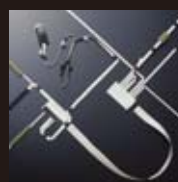
## SWS CSR Report 2009

### Corporate Social Responsibility Report

Under the basic policy of “contributing to the global community through the development of the corporate business,” we will continue to pursue better relationships among people, cars and the global community.

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## Editorial Policy

The Sumitomo Wiring Systems (SWS) Group has been publishing an environmental report annually since 2001. From last year's report onwards, we have also disclosed our information on socially-oriented activities to meet societal demands and report to a wide range of stakeholders surrounding our Group. This year's CSR report is the second issue. We would be grateful if you could take the time to read through this report and let us have your candid opinions.

## Period Covered by This CSR Report

April 1, 2008 through March 31, 2009 (fiscal 2008)

Some activities conducted in fiscal 2009 are also covered. The next CSR Report is scheduled for release in September 2010.

## Scope of This CSR Report

Sumitomo Wiring Systems Group

In this CSR Report, "Sumitomo Wiring Systems," "the (our) Company" or "SWS" refers to Sumitomo Wiring Systems, Ltd., and "the SWS Group" or "the Group" refers to Sumitomo Wiring Systems and its consolidated companies. However, items referenced within a specifically limited scope are indicated in the text or footnoted in the table or graph.

## Guidelines Referenced

Global Reporting Initiative (GRI)'s "Sustainability Reporting Guidelines 2006" and "Environmental Reporting Guidelines 2007" and "Environmental Accounting Guidelines 2005" issued by the Ministry of the Environment of Japan

## Together as one with the Group Companies, the SWS Group will go beyond its turning point to achieve "Connect with the Best."

The business environment surrounding the automobile industry has changed greatly. The business of SWS Group has grown steadily and expanded over the past decade. However, our business is currently affected by a so-called "once-in-a-century" severe economic climate, and we are now compelled to realign our growth path.

It is critical to seek a way out of this situation with short-term measures. I believe that this difficult business situation is a favorable opportunity for us to be reborn into a toned-up and strong management system through reduction of our various surpluses we have unconsciously gained during this steady growth and expansion trend.

Meanwhile, as a top global supplier whose core business is wiring harnesses, we will continue to hold fast to our long-term strategies. Due to the characteristics of the wiring harness business, there remains a lot of labor-intensive elements in manufacturing. Therefore, we need to continue upgrading the consciousness and skills level of every employee globally to remain a competitive company that can manufacture highly reliable products efficiently. We will spread the attitude of "Better Manufacturing & Developing Better Manufacturing by Developing Better People" handed down since our foundation in 1917, over the Group Companies in Japan and overseas.

In the spirit of "Connect with the Best," we continuously make efforts in pursuing customer satisfaction, achieving compliance, maintaining safety first, giving consideration to the global environment with Challenge-Eco 2012 as the main activity, and coexisting with communities among other things, to ensure better connection with various stakeholders.

As a manufacturer, SWS Group will get back to the grass roots of manufacturing and proactively challenge various reforms to strengthen our management system. We will also prepare for the future so that we can respond immediately to customer needs when the economy recovers. We are determined to unite the force of the entire SWS Group to overcome this difficult situation and make the next great leap forward.

I would like to ask you for your continuous support and guidance in the years to come.

President  
Sumitomo Wiring Systems, Ltd.

内 桶 文 清  
Fumikiyo Uchioko



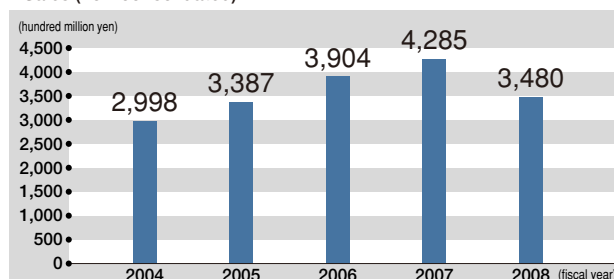


# With wiring harnesses for automobiles as the core business,

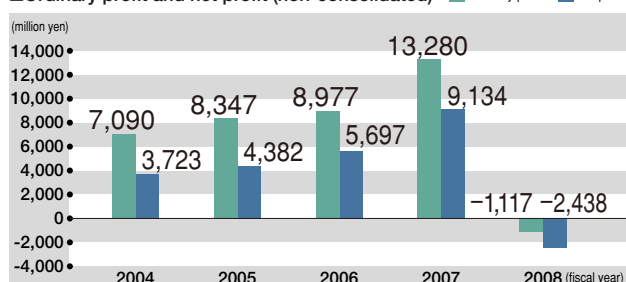
## Company Overview

Sumitomo Wiring Systems was established in 1917, in the foundation period of industries in Japan, as an electric wire manufacturer. With the development of the automobile industry in Japan after World War II, we started to produce wiring harnesses for automobiles and their parts. Since then, SWS has focused on rationalization of the wiring harness production and promoted quality assurance and cost reduction. We have now become a top wiring harness supplier not only in Japan but also in the world. We will continue to move forward as a top class partner worldwide for car manufacturers.

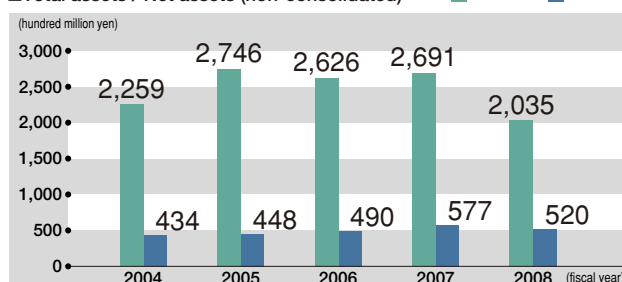
■Sales (non-consolidated)



■Ordinary profit and net profit (non-consolidated)



■Total assets / Net assets (non-consolidated)



## Product Outline

As a global supplier, we manufacture and sell wiring harnesses and components for automobiles, wiring harnesses for office equipment, and various cables.

### Wiring Harnesses



Wiring harnesses serve to electrically connect electronic and electrical components built in equipment such as cars and copiers, and to transmit information and electric power between the components. Each electric wire in a wiring harness plays a different role, such as taking electric power from power supplies, sending sensor signals, and communicating operational information. Wiring harnesses are important parts, comparable to nerves or blood vessels in the human body, in supporting the operational foundation of cars or equipment.

### Component Parts of Wiring Harness



Connectors



Electric wires



Multifunctional JB and ECU (electronic control units)



Grommets



Tapes and tubes

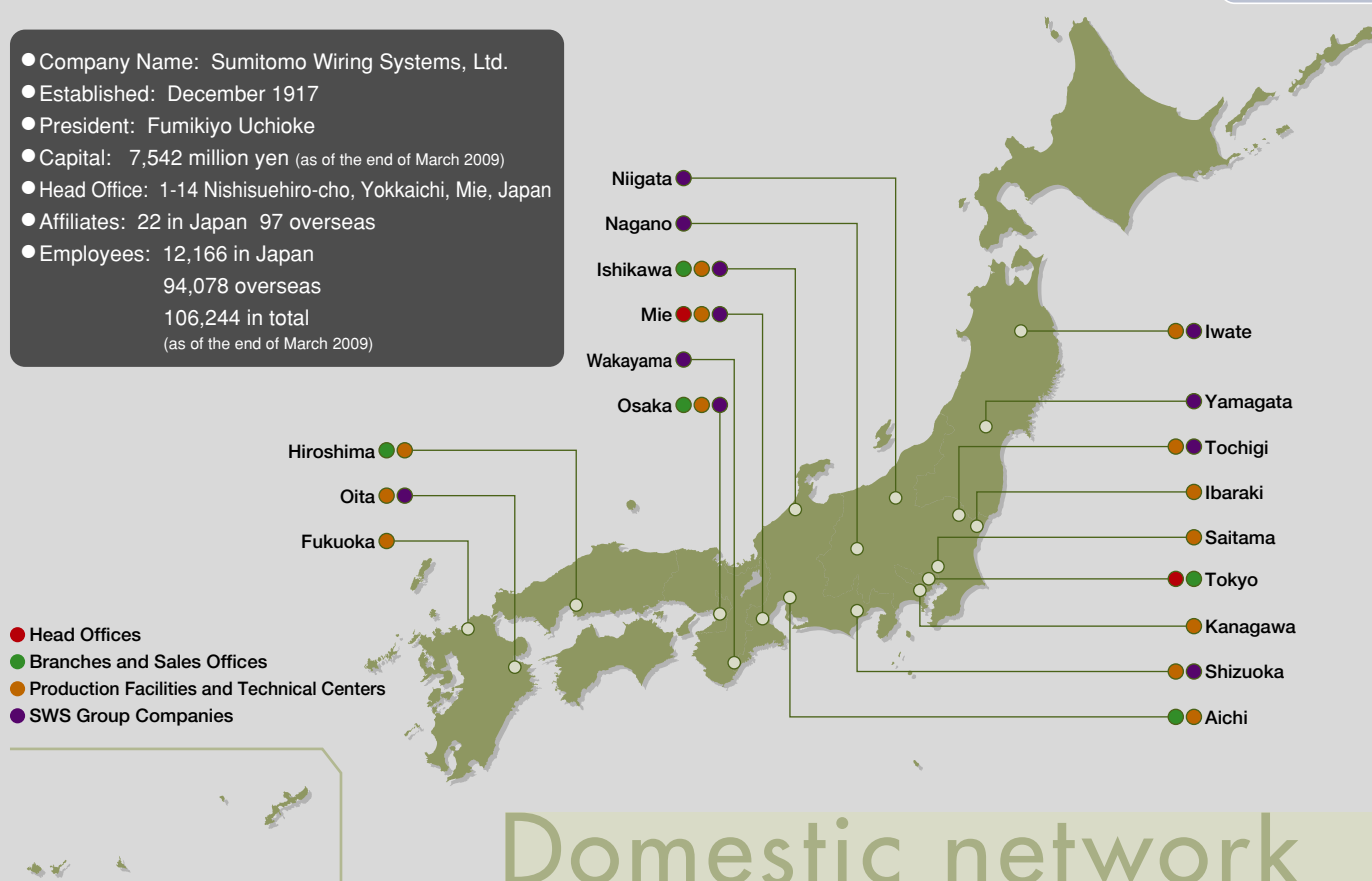
### Modularized Products and Car Electronics



Car electronics are a form of technologies to electronically control the operation of car mechanisms. Cars today use more electronics in a broader range of components than ever before; engines, transmissions, suspensions, steering, brakes and air conditioners. With cars becoming more and more electronic, we need further reductions in weight and size of electronic and electrical components -which have sharply increased in number- along with more efficient assembly of these products. Sumitomo Wiring Systems is also aggressively developing modularized products with fewer parts by consolidating or combining them through functional integration.

# the SWS Group is making the world its stage.

- Company Name: Sumitomo Wiring Systems, Ltd.
- Established: December 1917
- President: Fumikiyo Uchioke
- Capital: 7,542 million yen (as of the end of March 2009)
- Head Office: 1-14 Nishisuehiro-cho, Yokkaichi, Mie, Japan
- Affiliates: 22 in Japan 97 overseas
- Employees: 12,166 in Japan  
94,078 overseas  
106,244 in total  
(as of the end of March 2009)



## We have lessons handed down from Sumitomo's history for better connection with society and individuals.

### 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 traditional spirit inherited from the Sumitomo founder Masatomo Sumitomo was formulated into two business principles in the Sumitomo's Family Constitution established in 1882. The Sumitomo Goshi Kaisya (predecessor of Sumitomo Honsha) Administrative Regulation established in 1928 also derived the same two principles, which have been handed down to Sumitomo group companies as their business principles. The SWS Group also positions the Sumitomo Business Spirit as its top business philosophy.

#### Article1

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

#### Article2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

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. The article also emphasizes the importance of positive, progressive spirit in continuously taking decisions on the adoption or abolition of business projects, without being complacent about existing business conditions. The latter part of the article, however, strongly admonishes us against acting rashly and carelessly in pursuit of easy gains, which refer to short-term, immediate profit and unfair profit obtained by unethical means.

### Sumitomo Wiring Systems Group Basic Principles

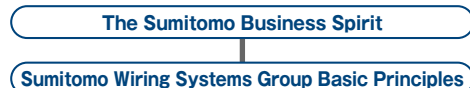
By our slogan "Connect with the Best," we also mean "to make all the connections surrounding us, along with the connecting roles that our products play, prevail over our competition in the best way." Sharing the basic principles as our common view, we will perform business with strong will and enthusiasm.

#### Basic Principles

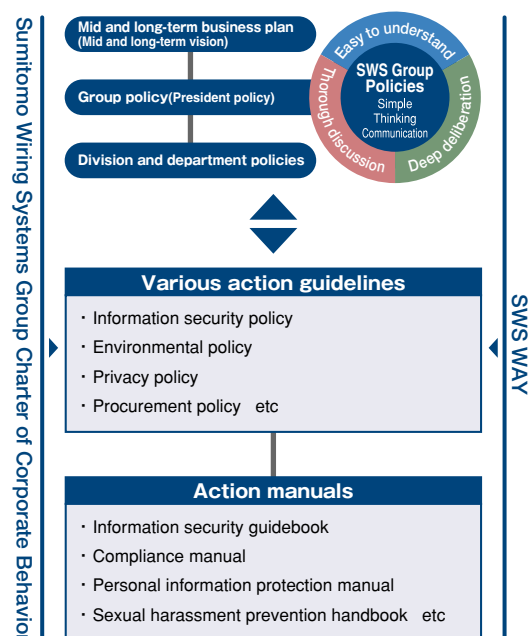
**In the spirit of "Connect with the Best," we at SWS Group are committed to:**

- Contributing to the global community through the success of business,
- 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



#### Action guidelines and Action standards



## Sumitomo Wiring Systems Group Charter of Corporate Behavior

The Sumitomo Wiring Systems Group shall contribute to the prosperity of the global community and be a business entity trusted by the international society, through pursuit of business under the corporate principles based on the Sumitomo Business Spirit and the Sumitomo Wiring Systems Group Basic Principles. We, the executives and employees of the Sumitomo Wiring Systems Group, shall conduct ourselves in accordance with the Sumitomo Wiring Systems Group Charter of Corporate Behavior to realize these corporate principles.

① Pursuance of Customer Satisfaction	<ul style="list-style-type: none"> <li>● We aim to provide products and service that satisfy customers in all aspects, including quality and cost, maintaining customer satisfaction as the foundation of our business.</li> <li>● We aim to develop new, original products by using our unsurpassed creativity to meet customers' demands.</li> </ul>
② Observance of Laws, Regulations, and Corporate Rules	<ul style="list-style-type: none"> <li>● We observe laws, regulations, social discipline and corporate rules, and always act fairly and openly.</li> </ul>
③ Fair and Proper Business Activities	<ul style="list-style-type: none"> <li>● We promote fair, transparent, and free competition and trade.</li> </ul>
④ Appropriate Use and Control of Confidential Information and Property	<ul style="list-style-type: none"> <li>● We control use of confidential information, such as management and technical information, tangible and intangible property, and personal information with an appropriate degree of care.</li> </ul>
⑤ Growth and Development of the Group	<ul style="list-style-type: none"> <li>● We always engage in business from a global point of view and strive for the sustainable growth and development of the group.</li> </ul>
⑥ Contributions to Preservation of the Global Environment	<ul style="list-style-type: none"> <li>● We take active initiatives to preserve the environment and help build an affluent society.</li> </ul>
⑦ Harmony with the International Community	<ul style="list-style-type: none"> <li>● As a trustworthy member of the international corporate community, we respect the cultures, customs and history of every country and region of the world in which we do business.</li> </ul>
⑧ Awareness as Members of Society	<ul style="list-style-type: none"> <li>● We are clearly aware that we are members of society, and act as good corporate citizens.</li> <li>● We will take a strong stand against any force or group that threatens public order and safety.</li> </ul>
⑨ Energized Workplace Environment and Respect for Individuals	<ul style="list-style-type: none"> <li>● We strive to create a safe, bright and energized work environment while defending human rights and respecting employees' diversity, personality and uniqueness.</li> </ul>
⑩ Appropriate Information Disclosure	<ul style="list-style-type: none"> <li>● We promote good communication with society and disclose appropriate corporate information.</li> </ul>

### QCD

Refers to Quality, Cost, and Delivery

### TPS

Total Production System

## SWS WAY

The SWS Group has pursued "Better Manufacturing" and "Developing Better Manufacturing by Developing Better People" since our foundation in 1917. SWS WAY indicates our action principles formulated in 2005 as essentials to meet customer requirements through expanding and developing globally in the future the very DNAs of the basic concept of work and the approach and attitude to work that have been handed down until now. We need to share common DNAs thoroughly with our overseas affiliates because the SWS Group is required to achieve globally common quality standards. We also need to respect local history, customs, cultures, and the way local people think. We believe that SWS WAY should be sharing values through marriage between these elements. An eight-page booklet, "SWS WAY," has been translated into 21 languages and distributed to 80,000 executives, staff and workers in 27 countries. It consists of seven Chapters and includes 30 sections. In fiscal 2009, we will put our energies into education and training by holding SWS WAY workshops in position-based training or in various corporate training programs.



## CSR Long-term Strategy

As we approach the 100th anniversary of establishment in 2017, we will spread the attitude of "Better Manufacturing & Developing Better Manufacturing by Developing Better People" over the Group Companies in Japan and overseas. In addition, in the spirit of "Connect with the Best," we will further improve the good connection with various stakeholders. Setting of a specific KPI is under discussion.

## ■ SWS WAY



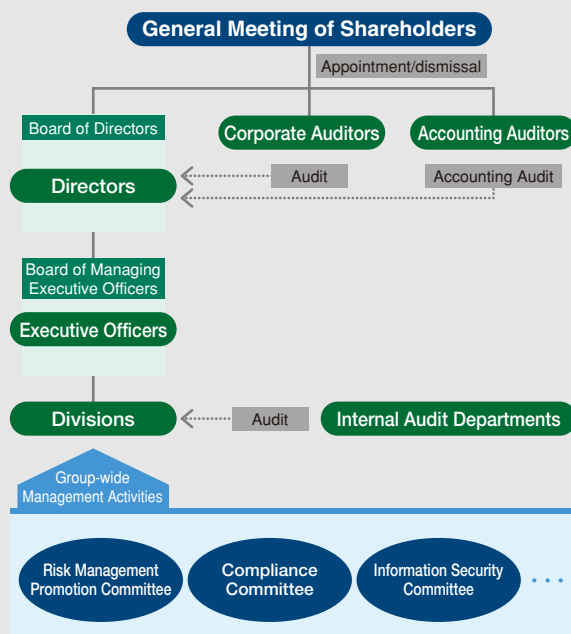


# We are establishing a structure that spreads well-developed auditing functions and attitude of thorough compliance with laws and regulations throughout the SWS Group Companies.

## Corporate Governance

With the Executive Officer System adopted in June 2003, Sumitomo Wiring Systems seeks to accelerate decision making and enhance supervision and business execution functions. While the Board of Directors is in charge of discussing important subjects, the Board of Managing Executive Officers discusses these subjects in advance in order to enhance the subsequent debates by the Board of Directors.

In our company, three Corporate Auditors audit the business execution performance of the Directors. The Auditors attend Board of Directors meetings and other crucial meetings and also exchange information with Internal Audit Department and Accounting Auditors to reinforce the auditing function more than ever.



## Compliance

The SWS Group believes that to comply with laws and regulations and perform ethical and sensible business activities based on integrity and trust is our social responsibility as a company as well as an essential condition for the existence and development of the SWS Group. In accordance with our compliance manual established in February 2005, all employees share and practice the spirit of acting with high ethical standards.

## Compliance Committee

In April 2004, we established the Compliance Committee as an organization to examine, implement and give instruction on compliance measures. In fiscal 2008, the meetings were held in August and March, where the Committee held discussions and performed verification of compliance training, investigation of violation of laws and regulations, state of receiving and handling non-compliance reports, and so on.

## Contacts for Compliance Reporting

As a measure to promptly detect and correct internally the acts that go against laws and ethics, we established contacts for compliance reporting in February 2005. Reported information will be investigated and handled mainly by the Legal Affairs Department, which serves as the CSR Committee Secretariat. Since November 2008, we have also established an external contact, where our corporate lawyer handles issues, to build a system that allows early identification and handling of non-compliance cases.

## Sharing of Common Awareness of Compliance

### (1) Implementation of compliance training

We provided position-based compliance training seminars also in fiscal 2008, and 688 persons in total participated in 10 sessions.

We also organized optional training seminars for improving expert knowledge, such as on personal information protection, subcontracting law and insider trading, and 219 persons participated in 8 sessions.

### (2) Publication of enlightenment articles in the in-house magazine

We published articles to increase awareness of compliance in the monthly in-house magazine from April 2005.

(Since April 2008, CSR articles have been published.)

## Major Compliance Activities

### ◎Subcontracting Law

(Act against Delay in Payment of Subcontract Proceeds Etc. to Subcontractors)

Particular attention should be paid to Act against Delay in Payment of Subcontract Proceeds Etc. to Subcontractors (Subcontracting Law) in procurement departments. Our Company puts its energies into employee training for engaging in business with our suppliers in a fair manner. We have provided not only position-based training seminars to impart basic knowledge, but also optional training seminars with detailed and practical contents for employees in charge. The employees improve their understanding in the seminars through study of actual cases in and out of our Company and also gain general knowledge.

### ◎Personal Information Protection and Information Security

Information handled by our in-house information system form our assets, and we strive to protect these information assets. We have prepared a basic information security policy, information security measures rules and personal information protection rules. We have also prepared and managed eight standards including information handling standards as the Group standards, which define operational rules. Every November is a month for strengthening information security where every employee checks his or her own information security.

### ◎Labor Management Training

Core employees serve important roles in preventing the occurrence of labor management problems such as working hours and harassment. Our Company has provided labor management training seminars for core employees designated as group leaders. The seminars provide knowledge required for labor management, such as knowledge of "Japanese employment and labor practices," "labor-related laws and regulations," "harassment," and "basic working hours management." In fiscal 2008, 248 persons participated in 15 sessions.



## We will strengthen the risk management system by shifting from a "Crisis management-centered system" to an "All-inclusive risk management system."

### Risk Management

The SWS Group has shifted its system from the conventional "Crisis management-centered system" to an "All-inclusive risk management system."

We consider "Business management" and "Risk management" as "two wheels of a vehicle," and develop activities with "5 Major Risk Management Activities" as the shaft so that both wheels interlock to produce propelling power.

#### ■ 5 Major Risk Management Activities

##### ● Risk Communication

- Sharing risk information (Risk scenario, Priority of actions)
- Sharing cases of crises (Making rules)
- Spreading the risk management policy throughout the SWS Group Companies
- Collecting information and accumulating know-how related to risk management
- Spreading risk management information by clarifying the responsible organizations or employees

##### ● Risk Management

- Strengthening risk management skills
- Practical training, such as disaster prevention training on an office/facility basis
- Exercising BCP procedure training on a division basis
- Countermeasures Headquarters operation training

##### ● Overseas Safety Measures

- Accumulating overseas risk information and know-how of risk management
- Strengthening ability to transmit information toward overseas areas
- Strengthening ability to manage in times of emergency (Overseas Safety Measures Committee)

##### ● Preventive Risk Management

- Reducing risk, preventing risk from surfacing (Taking proactive measures)
- Preparing business continuity plans and various risk manuals (Emergency Response Plan)
- Strengthening the viewpoint of risk management in normal decision making

##### ● Promotion System Management

- Corporate-wide committee, Individual committee
- Designating a risk manager in each division and each company
- Designating a staff member in charge of risk management in each department



#### ■ Track Records of Activities in Fiscal 2008

##### Strengthening crisis management (initial response) skills

- Organizing a framework of activities with time-series 7 steps for the first 72 hours after an earthquake (July)
- Preparing initial response manuals for disaster management on a divisional basis based on the above-mentioned framework (March)

##### Development into affiliates

- Explaining basic items related to risk management to presidents and general affairs department managers of the affiliates (May)
- Holding explanatory meetings on measures against the new-type influenza (individual measures, measures at home, and measures in workplace) (September, February, March)

##### Track records of seminars and training

- Providing basic risk management training for new general management employees (May)
- Providing compliance training mainly for the Risk Management Committee and the Risk Management Promotion Committee (August), providing a disaster simulation map exercises for measures against earthquakes (November)

##### Measures against new-type influenza

- Preparing a global policy, and requesting overseas affiliates to take countermeasures (December)
- Preparing "The SWS Group - Manual against the new-type Influenza" (January)
- Holding explanatory meetings on measures against the new-type influenza at main offices/facilities in Japan (January to March)

#### ■ Activity Plan in Fiscal 2009

##### ① Continue measures against serious risks (Earthquakes, new-type influenza)

- As measures against risks caused by earthquakes, ① take measures against earthquakes in Tokai region, ② strengthen practical training on an office/facility basis.
- Strengthen measures against the new-type influenza on an office/facilities basis to prepare for the second outbreak.

##### ② Strengthen self-operating ability of each division and company

- Designate a "Risk Manager" in each division, and a "Risk Management Staff" in each department as a contact.
- The Risk Manager leads the division as a "Leader of Risk Management and Preparer of BCPs."

##### ③ Expanding the scope of risk management

- Establish three subcommittees (Corporate Subcommittee, Business Continuity Subcommittee, Overseas Safety Measures Subcommittee) consisting of risk managers under the Risk Management Promotion Committee, to expand the scope of risk management.

### Business Continuity

The new influenza virus which was first detected in Mexico has spread globally since the end of April 2009. Pandemic infectious diseases, including the new-type influenza, are a huge threat to the SWS Group, which is a labor-intensive business model engaged in business globally.

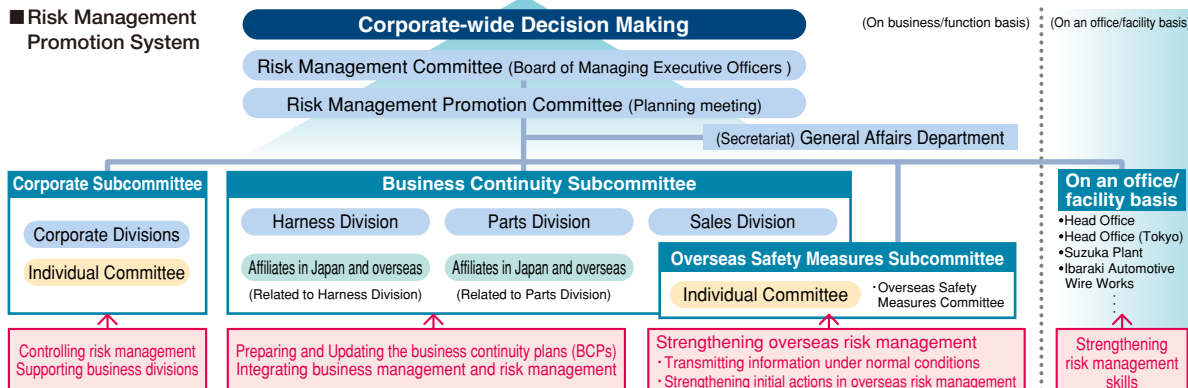
In addition to taking measures against pandemics, we actively conduct simulation training for verifying business continuity plans (BCPs) practically as well as preparing and updating the BCPs against serious risks such as earthquakes and fire, which threaten business continuity, both within and outside Japan.



Risk Manager of General Affairs Department **Hirokazu Ikeyama**

In risk management, we can not say "Everything will be prepared completely if we take measures until this point." I aim at risk management where measures are always taken in advance through communication with related departments, and risks are foreseen even before they surface.

#### ■ Risk Management Promotion System





## Fostering STARS with Skills

We have our original skills fostering system to upgrade skills through development of "Better Manufacturing" on a global scale.

Diligent commitment of each company produces high motivation which leads to firm "Developing Better People."



SWS Skill Olympic Games character adopted in the poster from submissions received for the fiscal 2008 SWS Skill Olympic Games



## Aiming to win the SWS Skill Olympic Games upgraded skills spectacularly and cultivated desire for self-improvement.

### Skills Athletes Aiming to be World's No.1

Athletes who won fiercely played preliminary games challenge their powerful rival players from around the world in the Skill Olympic Games. With tensions and excitement as in sports competitions, exciting games are played at "Wiring Harness Skill Olympic Games," a competition where operators selected from the SWS Group Companies compete on "Speed" and "Quality" of their skills. In fiscal 2008, 93 people from 31 companies in 15 countries participated and set impressive records. Katsuya Hashimoto, the Manager of Quality Group within Production Engineering Development Group and the supervisor of the Olympic Games has really felt the effect of the Skill Olympic Games. He says, "All the players are elites who qualified through fierce preliminary games, and they feel it's their honor to enter the final competition. After the games, they continue to have high motivation at their workplaces, and strive to further upgrade their skills."



## Katsuya Hashimoto

Manager of Quality Group  
Global Pika Pika Center  
Production Engineering Development Group  
Sumitomo Wiring Systems, Ltd.

Operating Director of the Skill Olympic Games  
Develops "Pika Pika Campaign" to promote the nurturing of skills and better people on a global scale.





### Inquisitive Spirit Growing Further and Further

There is an eligibility criterion to enter the final round of competition. In G-STARS, the skill level of employees is evaluated in 5 ranks (S, A, B, C, D). For a division to be eligible to enter the final round, at least 80% of its employees shall together have a skill level of S, A or B. "This rule has been applied since fiscal 2007. As a result, the ratio of employees whose skill levels are S, A or B has increased by approx. 20 points compared to the ratio before fiscal 2007. The Group Companies set their sights on participating in the Skill Olympic Games, which also lead to familiarization of G-STARS in the Companies. We are pleased with the trends displayed. In some factories, employees receive much harder training than normal, and also, original check items are added to the training." G-STARS was established as a globally common training and evaluation system. The Skill Olympic Games which started with an aim to invigorate G-STARS have led to improving G-STARS itself. "We have started to discuss an advanced-level target so that employees who have reached S rank can upgrade their skills even further."



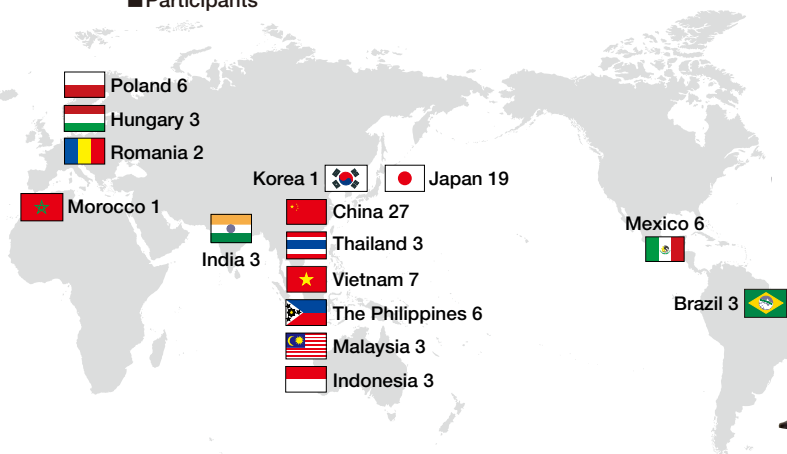
### Future with Spreading of "Developing Better Manufacturing by Developing Better People"

The Skill Olympic Games also provide opportunities for international exchanges. "Different people get together from around the world, and foster communication with each other as colleagues working in the same SWS Group. They understand each other's culture, and increase their knowledge."



Last year, we solicited posters for promoting the Skill Olympic Games, and more than 40 designs were submitted from around the world. "All the poster designs were tours de force. We could feel the enthusiasm of the companies and the people. The design of the adopted poster is to be used as a logo in the future." With an eye toward the future, the SWS Group has developed "Fostering Skills = Fostering People" globally to promote "Strengthening the Foundation of Manufacturing." "We hope to spread these activities across the world to provide an environment where every employee has the same goal and works with vigor and enthusiasm."

#### ■Participants







## Fostering STARS with Skills

S Rank operators with exceptionally high skills among operators classified into 5 ranks with globally common standards.

Their final goal is to win the Skill Olympic Games.

That is, to come at the top of approx. 60,000 employees worldwide.

## Pride as "World's No. 1" What She Gained with the Pride



### Responsibility and Competitive Spirit as a Representative of a Factory

Naomi Fukumoto looks back on that time by saying, "The pressure was greater than I expected. I lost 3 kg in weight before the Olympic Games." She is the winner of "Cut & Crimping Inspection" in Fiscal 2008 Sumitomo Wiring Systems Wiring Harness Skill Olympic Games. The game is to compete



on the skills of "Precise Measurement" and "Finding Defects" in the process where terminals are crimped to electric wires.



This is a competition lasting only a few tens of seconds, where instantaneous judgment is required on both skills. The contestants are put out of the race if they get the measurement wrong or if they miss a defect. Only two chances were given, and the pressure on her was therefore huge. After her entry was confirmed, with the help

of the factory, she got special training as well as a simulation test in front of an audience to help her familiarize herself with the atmosphere and avoid getting nervous. Responsibility hung heavily on her. However, the odds were in her favor. "There is a bit of knack to it. In defect inspection, I spread a bundle of 25 wires and check them all at one time. That is my usual way of checking. However, I heard that other people check the wires one by one. Since I check them all at one time, my speed may be faster." The winning time was 34.67 seconds. Her time was more than 2 seconds faster than the time of the second place, which was a decisive lead. "In her case, she improved her technique in these few years, and she could successfully show her true abilities. Her guts and competitive spirit worked well," says Masato Tsuji, Chief of Manufacturing Subsection in Shingu Plant.



2008 Cut & Crimping Gold Medalist

### Naomi Fukumoto

Shingu Denso, Ltd. (An affiliate of Sumitomo Wiring Systems, Ltd.)

She participated in "Cut & Crimping Inspection" in Fiscal 2008 Wiring Harness Skill Olympic Games as a representative of the company, and won the individual championship impressively. She is active in her workplace as a top class operator of the factory.

## Starting from Training Method for G-STARS



"Sumitomo Wiring Systems has approximately 60,000 wiring harness manufacturing operators in more than 20 countries worldwide. As a matter of course, our wiring harnesses must be of the same quality, whichever factory or country they are made in. We

have therefore introduced a training and evaluation system called G-STARS to upgrade operator skills."

The system consists of four areas of basic skills, processing skills, assembly skills and inspection skills. Specialized tools are provided for each area. Our operators receive training with common tools on a daily basis. They must undergo examinations every three months to have their skill levels evaluated and ranked S, A, B, C, and D. In Ms. Fukumoto's case, she attained S Rank three years ago, which qualified her for the preliminary games of the Skill Olympic Games. In fact, she was initially a reserve candidate. She could not win the preliminary games; however, she was selected thanks to her excellent time records. "Basically, there is no specific training to improve inspection speed. The only way is to improve by oneself." Ms. Fukumoto stood out among the operators. Mr. Tsuji has evaluated her with the following words: "She is good at detail work, and is a scrupulous person. Above all, she is a hard worker."



Regarding defect inspection, training is done on a daily basis. "Since defective items are not found every day, it is necessary to do image training."

## Company is Happy with the Multiplier Effect

After the Skill Olympic Games, Ms. Fukumoto is introduced as the "Winner of the Games" to customers who visit the factory for a tour. She says proudly that she is genuinely pleased with this introduction. Mr. Tsuji says,



"Getting the victory is not so easy. So her victory is also an honor for our company and an appeal to our customers. Above all, motivation of our employees has increased."

Ms. Fukumoto got an opportunity to become a regular employee from a temporary employee. "Last year, I failed a test and lost confidence. However, I was spurred on by attaining victory at the Skill Olympic Games, which led to a step up in my career." Mr. Tsuji is satisfied as her boss, and says, "Her case is a good example where a program to foster skills and people worked well and showed successful results. However, the result is accumulation of efforts over the years. She is a good example for operators who aim to join the Skill Olympic Games."



## Baton Passing to Younger Colleagues

"In the next Skill Olympic Games, other operators will raise a challenge. They are trying to improve their skills in daily operations just like Ms. Fukumoto." All operators at Shingu Denso, Ltd. attained S Rank this year: a 100% success rate. "We do not do anything special. I think the program of G-STARS is an excellent tool. Since Ms. Fukumoto's time record is exceptional, the goal for her younger colleagues is high. However, I think the higher the goal is, the greater the enthusiasm of the operators and the harder they will work." The Skill Olympic Games consists of four events in total. The winning teams and winners show their true ability in their countries and factories, which creates a virtuous cycle and upgrades the skill level of the employees around the world.





# We strive to provide "Globally Common Quality with Product Appeal No.1."

## Sumitomo Wiring Systems Group Quality Policy

### Creating customers and establishing ongoing trust through quality

#### Action Guidelines

- (1) Establish and implement a quality system that meets requirements on products and planning of service related to products as well as design, development, manufacturing and quality
- (2) Build a quality system to be developed in Japan and overseas from a global point of view
- (3) Be committed to the development of an efficient quality system and proprietary technologies along with continuous quality improvement

## Quality Policies for Fiscal 2009

### Stick to Zero Defects

- (1) Aim at achieving customer satisfaction
- (2) Solve problems based on facts and data
- (3) Achieve zero defects with efforts from all employees

## Results of Quality Improvement in Fiscal 2008

- (1) Introduced "Assurance of Each Process" activities in model lines/processes
- (2) Started office work quality improvement activities in all Group Companies
- (3) Introduced a system to give an award for "Product Appeal No. 1" activities
- (4) Supported our suppliers to strengthen their quality management
- (5) Strengthened activities for reducing defects/losses in processes

### Corporate Quality Control Organization

The meeting of the Quality Control Committee is held once in every two months with the participation of top management (with President as the chairperson and division leaders and General Manager of Quality Control Department as the committee members).

The Committee carries out (1) examination of measures on main quality issues from the perspectives of "customer first," "recurrence prevention" and "organizational reinforcement," and sharing of information, (2) sharing of information on activities of each division, (3) checking of progress in theme activities and (4) discussion of the formulation of quality management system standards.

#### Quality Control Committee

Western Quality Meeting

Eastern Quality Meeting

Speciality Harness Quality Meeting

Parts Quality Meeting

Electronic Quality Meeting

Electric Wires Quality Meeting

### Quality Education and Training Curriculum

We have provided quality educational programs, which are classified mainly into position-based compulsory subject education, optional specialized subject education, and problem-solving type practical education. S Meeting (Staff Meeting for Practical Studies) and Quality Key-person Seminars are positioned as core human-resource seminars. The reporting meeting of "Product Appeal No. 1" activities and the QC circle presentation are held to check the results of quality education. In fiscal 2008, a total of 2,671 persons participated in both compulsory and optional seminars.



### PK Evaluation System

Qualified inspectors evaluate quality control levels such as 4S, state of compliance with standards and the state of QC improvement, for each of the 102 factories in 19 countries around the world based on annually updated evaluation sheets.

We will work to ensure measures to prevent recurrence and improve the quality management level, through preparatory activities conducted by each factory before undergoing PK evaluation and corrective measures after PK evaluation.



### Substances of Concern Non-inclusion Assurance System

Our main customers such as car manufacturers and electric and electronic equipment manufacturers set original criteria on controlled substances. To guarantee the conformance of our products to such regulations and handle requests for surveys from customers without delay, we have formulated and managed internal management standards. We also distribute our Green Procurement Guideline to our suppliers.

In fiscal 2008, we strengthened our actual measurement management system in major sites around the world. We also improved systems to achieve higher management levels.

### Quality Awards in Fiscal 2008

14 overseas SWS Group Companies won 24 quality awards from 22 customers. (Winning awards from May 2008 to April 2009)

Date of winning award	Customer	Description of the award
2008 July	Nissan Motor Co., Ltd.	Regional Quality Award
December	Kawasaki Heavy Industries, Ltd.	Quality Merit Award
2009 January	Honda Motor Co., Ltd.	Global Quality Award
February	Toyota Motor Corporation	Quality Control Excellence Award
March	Hino Motors, Ltd.	Quality Merit Award
April	Mitsubishi Motors Corporation	Quality Excellence Award



## "Promotion of Pika Pika Campaign" for realizing globally common quality

As a worldwide supplier of wiring harnesses, Sumitomo Wiring Systems has developed its business globally.

We have to provide products with the same, best quality to our customers no matter where they are and no matter where and by whom the products are made.

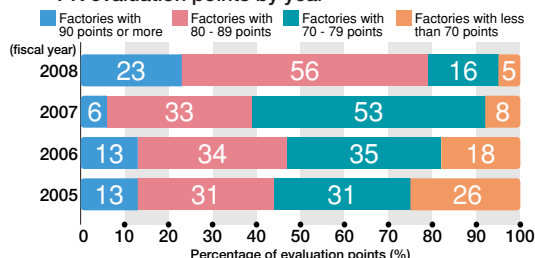
To achieve this mission, we've been committed to human resource development, and have promoted "Pika Pika (meaning "shiny" in Japanese) Campaign" in four categories.

### 1 Creating "Pika Pika" workplace "PK Evaluation Activities"

The evaluation results of the "PK Evaluation System" explained in page 13 are expressed numerically and transmitted across the world through our intranet. The states of our factories are benchmarked by evaluation of the exclusive inspectors with the globally common standards which are specified annually. The result leads to the way for improvement activities and enhances competitive consciousness among employees, which in turn leads to development of best practices or activities to catch up with top factories.

We also organize "practice meetings" at factories that have undergone PK evaluation. Other Group Companies participate in these meetings and have opportunities to experience the levels at different companies and utilize these for improvement of their companies on the regional basis of Japan, China, ASEAN, Europe and the Americas.

■ PK evaluation points by year

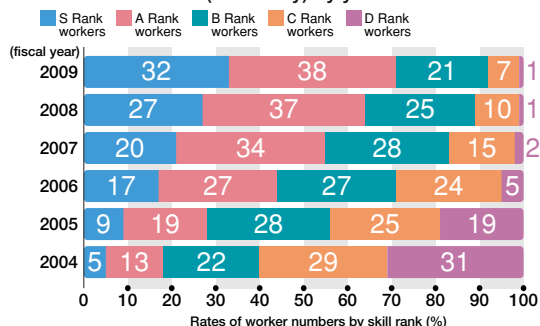


### 2 Creating "Pika Pika" skills "G-STARS & Wiring Harness Skill Olympic Games"

G-STARS is a system to provide training and evaluate basic skills of workers in manufacturing wiring harnesses using common tools. Workers are ranked according to their evaluation results as S, A, B, C or D, with an aim to increase the number of S and A Rank workers. The name G-STARS arose from our hope that workers all over the world would hone their "basic skills" through training to shine like "Stars" as professionals of manufacturing wiring harnesses, i.e., they would become "Stars."

We organize "Wiring Harness Skill Olympic Games" every year, in which trained representatives from our factories around the world participate. The aim of holding the games is to reward operators with excellent skills and motivate workers to improve their skills through technical training.

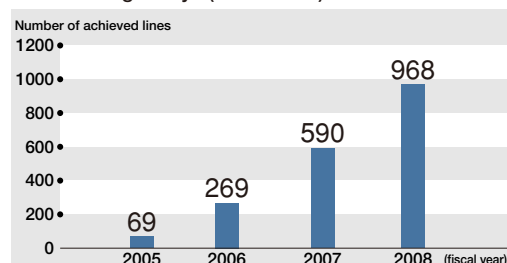
■ G-STARS Rank (Assembly) by year



### 3 Creating "Pika Pika" manufacturing lines "Activities to Prevent Defects Aiming at Zero Defects"

In order to deliver "Pika Pika" products to customers, the manufacturing lines and manufacturing mechanism also have to be "Pika Pika," as "Pika Pika workplaces" and "Pika Pika skills." We are thus also committed to creating lines that do not produce defective items. We have promoted activities with a worldwide common aim of "10 straight days with zero defects." We count all defects detected in processes as defects, including self-reported defects. If a defect is detected, the line is stopped immediately, and staff and workers try to identify the root cause for the defect and take corrective measures. We believe that the effect of these activities at some future date will be to change the lines from "lines where defects are not generated" to "lines where defects can not be generated."

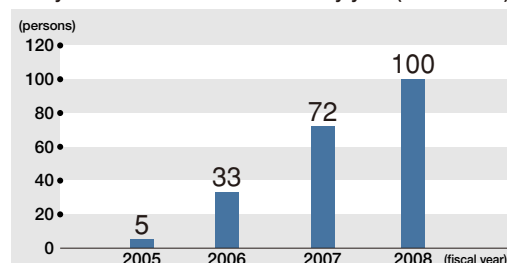
■ Number of lines with "0" process defects in 10 straight days (Cumulative)



### 4 Developing "Pika Pika" human resources "Manufacturing Key Person Seminar"

In order to develop and establish the Pika Pika Campaign more speedily and widely, it is absolutely necessary to develop key persons in every region. In the "Manufacturing Key Person Seminar" training for overseas staff, we invite executive candidates overseas to Japan and provide them with knowledge-based training on the Japanese language and Japanese culture and on quality and productivity improvement, and also practical training. These participants then return to their own places of work and address the tasks set for certification. Participants who clear the tasks are certified as Manufacturing Key Persons. "Pika Pika Campaign," which is the so-called SWS WAY of manufacturing, has spread speedily, widely and persistently through improvement activities and human resource development by the certified key persons in their companies or regions.

■ Key Person Seminar Graduates by year (Cumulative)



4S

Refers to Sorting, Systematizing, Sweeping, and Sanitizing

G-STARS

Global Skill Training And Recognition System

# We comply with the principle that "Safety is our top priority" and work for compliance globally, in a thorough and continuous manner.

## Philosophy

### Safety is our top priority

With this principle "Safety is our top priority" as the basis of business, the SWS Group acts for securing health and safety of workers with the spirit of respecting people and the stern attitude that allows no occupational accidents.

## Basic Policies

### Legal Compliance

Comply with rules including laws and regulations and work to maintain and improve the level of health and safety management.

### Establishment of the System and Disaster Prevention

Establish the health and safety management system and prevent accidents and disasters related to facilities, machines, operation methods, etc.

(The system is a management system compliant with OSHMS.)

### Education and Training

Provide education and training to enhance safety awareness of each employee and improve health and safety in the workplace with the participation of all employees.

## Health and Safety Policy

With the principle "Safety is our top priority" as the basis of business, the SWS Group acts for securing health and safety of workers with the spirit of respecting people and the stern attitude that allows no occupational accidents. In particular, reports on accidents in our domestic and overseas sites are presented by the divisional managers to top management at staff meetings, in order to practice safety initiatives under the leadership of top management.

## Certification on Occupational Safety and Health Management

In our Group, Suzuka Plant obtained Occupational Safety and Health Management System (OSHMS) certification in January 2006, and so did Ibaraki Automotive Wire Works in April 2008. Other domestic sites and overseas entities are working continuously for obtaining the certification. In addition, Suzuka Plant was authorized to be exempt from "notification under Article 88" for the first time in the Japanese manufacturing industry.

Date of certification	Site	Certification to be exempt from notification under Article 88
January 2006 January 2009 (Renewal)	Suzuka Plant	○
April 2008	Ibaraki Automotive Wire Works	△

## Global Accident Statistics

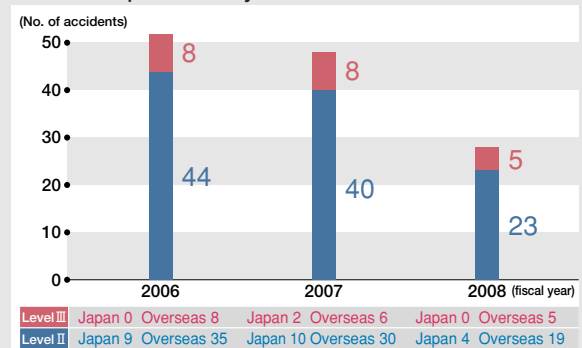
We started taking the global accident statistics in fiscal 2005. In the statistics, we eliminate differences in judgment criteria between countries, and determine scales for injury levels to enable comparative examination. Distributed monthly as accident statistics, they clearly visualize the safety performance of 90 companies in Japan and overseas.

### Targets for fiscal 2008

	Occupational accidents	Traffic accidents	Health
In Japan	Level IV, III zero	Less than half from the previous fiscal year	Zero occupational sickness
	Level II less than half		
Overseas	Level IV, III zero		
	Level II less than half		

※ Injury level IV: corresponding to serious accidents (death and injuries involving functional loss or significant permanent handicap)  
 Injury level III: corresponding to accidents resulting in lost worktime (injuries involving partial or temporary decline in function and requiring continued medical treatment)  
 Injury level II: corresponding to accidents not accompanied by lost worktime (injuries requiring temporary medical treatment)  
 Injury level I: corresponding to minor accidents (injuries that can be addressed with first aid treatment or examination)

### SWS Group-wide safety statistics



## Priority Disaster Prevention Activities

As an effective way to enhance safety awareness, we have prepared training facilities where employees can experience danger through simulations. We have introduced safety experience training that appeals to the senses by feeling the situation through sound, vibrations, pressure, sparks, and so on, through simulations of disasters and not just classroom lectures. At present, 5 companies in Japan and 12 overseas companies have introduced such training. We are extending the training over the Group Companies in Japan and overseas.



## Strengthening Safety Activities in Overseas

The Sumitomo Wiring Systems Group has approximately 110,000 employees in the world. Although laws and values are diverse, the responsibility of companies for safety is common. Our Group uses a diagnosis sheet that meets the requirements of the health and safety management system so as to reinforce the health and safety management of our factories in Japan and overseas. In particular, overseas Group Companies conduct the safety diagnosis of local companies and hold safety conferences under the initiative of groups in Japan and work together to improve the management and ensure measures to prevent the recurrence of accidents.

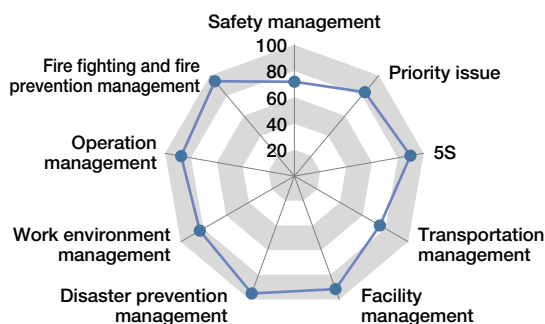


Safety diagnosis overseas

### ① Promoting Safety Diagnosis

In fiscal 2008, we prepared a globally usable safety diagnosis sheet, which includes management items such as globally utilized OSHMS evaluation, past disaster cases, 5S, and disaster prevention. Concerned persons at divisions, safety departments and production engineering departments conducted safety diagnosis on 28 factories overseas to improve the safety level at overseas sites.

■ Sample result of safety diagnosis conducted at an overseas site



### ② International Safety Conference

As well as safety diagnosis at overseas sites, the divisions invite overseas safety managers to Japan to improve the level of safety management and establish networks. Regarding Electric Wire Divisions, 20 persons from 13 factories in 10 countries participated in the conference in fiscal 2008. They received practical training on KYT and risk assessment, and conducted safety diagnosis at site using a safety evaluation sheet over two days. We are committed to disaster prevention overseas.



Practical training of safety diagnosis at site



The International Safety Conference for Automotive Wire Production

### ③ Sharing of Safety Information

To enable our employees around the world to share accident information and global safety rules, we have opened a health and safety website. The information on the website is available in Japanese, English and Chinese. The website provides accident information such as latest cases of accidents, and employees can search for information on accidents in the past and use it for safety activities in the workplace including prevention of similar accidents.



### Introduction of Safety Award

Since fiscal 2008, we have selected and commended four offices and nine affiliates in Japan for perfect zero disaster and their excellence in safety activities.



Leader of Safety and Welfare Group  
 Suzuka Plant  
 Yoshiharu Ochiai

Three years have passed since Suzuka Plant acquired OSHMS certification. The certification has now been renewed and the health and safety management has eventually established consistent operation procedures. As a result, the organization can now conduct activities integrally. The SWS Group places great importance on development of OSHMS with the principle "Safety is our top priority." Last year, the Group spread activities related to OSHMS in Suzuka Plant to other sites, and Suzuka Plant supported Ibaraki Automotive Wire Works in acquiring OSHMS certification. The Group has now spread its know-how to affiliates of the SWS Group. We, as the safety staff of the Health and Safety Committee secretariat, will strive to continue to support the lines so that they can increase the health and safety activities themselves and lead health and safety activities by playing the role of the compass. Keep safety!

Certification to be exempt from "notification under Article 88"

The entities with an occupational safety and health management system in place and with certain health and safety levels receive authorization from the head of the competent labor standards inspection office and are exempt from the obligation of notification of plans under Article 88 of the Industrial Safety and Health Law.

5S

Refers to  
 Sorting,  
 Systematizing,  
 Sweeping,  
 Sanitizing, and  
 Self-discipline

KYT

Refers to Kiken Yochi Training (Hazard Prediction Training)



# Eliminating discrimination and respecting human rights, we are establishing the cheerful and energetic workplace.

## Basic Approaches to Human Rights

Regarding our basic approaches to human rights, we specified respect for human rights and the prohibition of discrimination in the Sumitomo Wiring Systems Group Compliance Manual published in February 2005, and we make these human rights known to our employees through various training seminars.

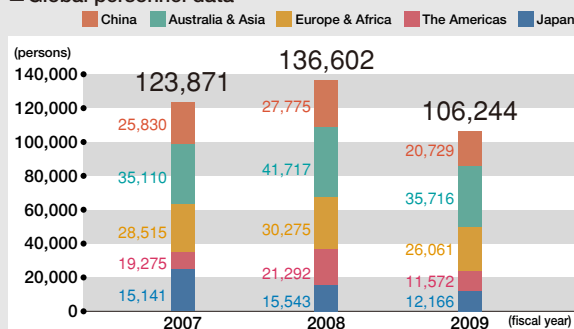
We manage business and create a work environment with respect for human rights and with no unjust discrimination based on nationality, race, ideology, sex, age, social status, disabilities or other factors.

We have also prepared a system to promptly collect information on issues related to sexual harassment, power harassment and human rights, and handle them appropriately by establishing internal and external contacts for compliance reporting.

## Employment of Diverse Human Resources

Our human resource policy on our employees is "Developing Diverse Human Resources." To realize permanent growth of our global business, we need to actively recruit diverse human resources such as overseas students, mid-career workers and retired workers. Regarding employment of students from overseas, we have been recruiting them in full swing since 2004, and more than 100 students from overseas have been employed until now. Furthermore, we are aggressively employing the physically or mentally challenged and are improving their work environment as an initiative to fulfill our social responsibility.

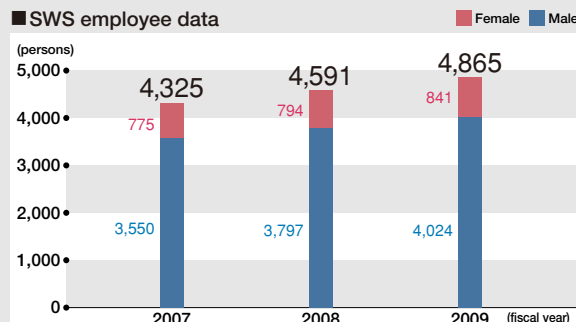
### Global personnel data



Because of drastic drop in demand due to global economic slowdown, structural reforms within companies have been crucially required in the automobile industry to which our Group belongs.

The Group could not avoid structural reforms in order to maintain international competitiveness. There was a reduction of approximately 30,000 persons across the whole Group when compared with the previous year as of the end of March, 2009. This is equivalent to approximately 22% of the Group's employees as of the end of March, 2008.

### SWS employee data



### Employment rate of the physically or mentally challenged



## Labor-management Relations

Under the serious unprecedented business environment surrounding our group, the role of labor and management has become more and more important. In Sumitomo Wiring Systems, we have a basic concept of improving the lives of union members along with the development of the company, and both labor and management are committed to mitigation of various problems through thorough discussion with respect for each other until they have reached an agreement. At the management council held twice a year, representatives of labor and management get together to exchange opinions on business environment and business conditions.

In addition, we hold meetings of "Wages Expert Committee," "Welfare Expert Committee," "Overtime Work Expert Committee," and so on to improve various systems and strengthen monitoring functions.



SEWS-E Overseas Trainee  
Quality Management  
Department  
**Midori Arita**

I became a member of Quality Management Group - Quality Management Department in an affiliate in UK as an overseas trainee. I have spread quality management measures based on SWS-WAY to factories in Eastern Europe and North Africa, and have learned about analysis of defects in processes or complaints in OJT.

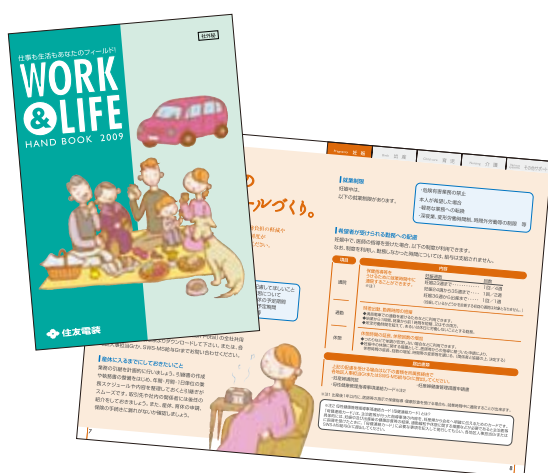
The network of personal connections I have developed in the UK head office and the factories form my significant assets.

Although Sumitomo Wiring Systems has its sites around the world, I think there are still issues in globalization of SWS WAY. I hope many more employees gain experience in overseas manufacturing divisions.

## Work-Life Balance

We have been committed to measures to support employees aiming at "balancing work and family life" from the viewpoint of equal employment opportunities for men and women, corporate social responsibility including countermeasures to the falling birth rate, increasing motivation of employees, correcting long working hours, and so on. We have completed the first action plan based on the Law for Measures to Support the Development of the Next Generation, and are now promoting the second action plan. For example, the number of half-day holidays with pay has been increased, short-time working system has been expanded, and employees can take child care leave until the child is 2 years of age to concentrate on caring for their children.

In addition, for better balance between work and private life, we will enhance awareness among administrative employees while helping them understand the system through the Work-Life handbook.



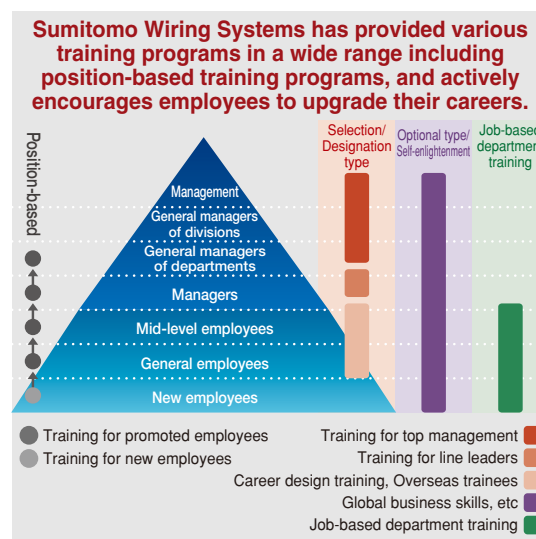
## Consciousness Survey Aiming at Energetic Workplace

In October 2008, we conducted a consciousness survey, "Energetic Survey," to prepare and implement measures on human resources which better reflect the needs of our employees. The general analysis of the results of the survey was explained in in-house magazines, etc. In addition, the results were analyzed on department basis, and general managers of the departments got to understand issues concerning their departments and take remedial measures. Thus all employees have continued with activities aiming at creating a more ideal work environment.

## Human Resource Development (Capacity and Career Development)

Capacity development in our company is based on the "development of abilities by employees for themselves

with self-responsibility in consideration of their own future." Under this concept, in the short term, the employees set their annual capacity development goals and work to achieve them in the Management by Objectives System and the Performance Appraisal System. They also seek capacity development through OJT by setting individual targets in business operations and increasing practical experiences. By repeating this procedure every year, employees improve their abilities. In the mid- and long-term, the employees understand the roles and actions they are expected to play by attending various position-based training sessions, and set their capacity development/career development goals individually according to the roles and actions. They then aim at gaining career/self-actualization by preparing and implementing action plans (participation in training, self-enlightenment, etc.) through development meetings with their bosses.



## Training Details

We put our energies into developing human resources that can engage in business globally. Since fiscal 2008, we have provided training in Japan to systematically develop management executives for overseas manufacturing companies. We also enrich global training, such as language training, cross-cultural management, human resources management, and internationally related operations. Moreover, we introduce overseas trainee system for general management employees with an aim that the employees accumulate experience of operations/life in overseas as trainees for a fixed period of time, provide practical training in overseas factories for all new employees, and so on. We will enrich employee training of "SWS WAY," which is our concept of approach to the SWS-style work (Manufacturing/Human Resources Development) in the Group Companies in Japan and overseas.



## Law for Measures to Support the Development of the Next Generation

The law was enacted and promulgated as a countermeasure to the rapidly falling birthrate in July 2003. It obligates a business proprietor employing more than 301 workers to formulate and submit a "general proprietor action plan" for measures to support the development of the next generation.

# In line with our international business development, we will pursue better partnerships with our suppliers on a global scale.

## Procurement Policy

We have developed our procurement activities based on the practice of "Connect with the Best." Our policies include:

### ① Providing open and fair opportunities

We provide open opportunities for business entry, regardless of nationality, size of business, or past transactions with us. Based on the principle of competition, we select our suppliers by conducting fair and equitable evaluations, taking into consideration each company's management reliability and technology development capabilities in addition to quality, price and delivery time.

### ② Our basic principles-Mutual Understanding, Mutual Reliance, and Mutual Enlightenment

For our suppliers, we define our most basic principles as: "Mutual understanding" or knowing each other well "Mutual Reliance" or respecting each other; and "Mutual Enlightenment" or improving each other.

### ③ Establishing global partnerships

We have located our bases in many countries, and have developed our business on a global basis. We are always looking for good partnerships with our suppliers that will enable us to produce better and more competitive products around the world.

### ④ Complying with the law

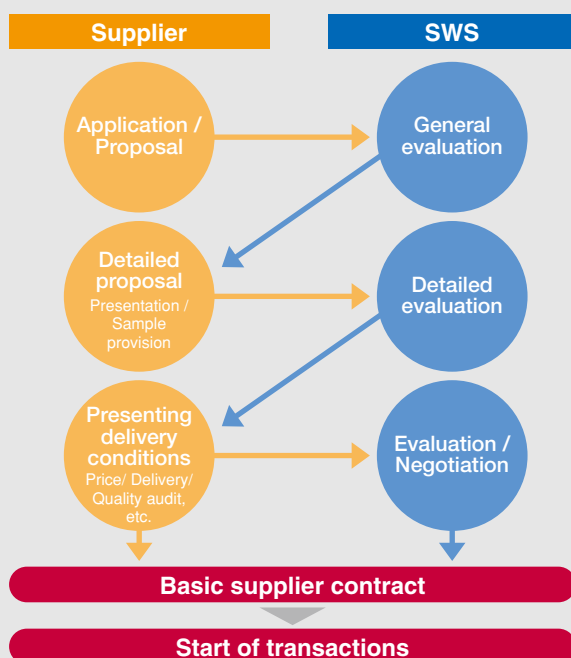
We respect the spirit of business and commercial law, and conduct our procurement activities according to the law.

### ⑤ Promoting green procurement

We do business with our focus on environmental preservation to sustain a wealthy society. We aggressively address product procurement that gives special consideration to the global environment.

## Start-up Process

When we start transactions with a new supplier, we follow the process below. For details, please see our website.



## Communication with Suppliers

Sumitomo Wiring Systems holds a Suppliers Meeting every year to explain our procurement policies and report our business activities to our suppliers.

We prepared "Sumitomo Wiring Systems Group Contacts for Compliance Reporting" to establish a system where suppliers can consult with the Compliance Secretariat in the General Affairs Department apart from Material Procurement Departments.



## International Transactions

While expanding our business operations worldwide, SWS is endeavoring to realize "globally optimal procurement," which is to purchase the parts, materials and equipment that are the best in terms of quality, quantity and cost from the global market.

In addition to global optimal procurement, we will strive to live together in mutual prosperity with local communities at overseas manufacturing sites through local procurement.

## Green Procurement and Green Purchasing

We disclosed our Green Procurement Guideline to suppliers in August 2004, and have promoted initiatives for environmental conservation. In April 2007, we published the revised edition of the guideline (second edition), which requires suppliers to work to obtain external certification of their environmental management systems. SWS will promote procurement preferentially from suppliers that have environmental management systems in place, comply with laws and regulations and control substances of concern. We also set rules on green purchasing of stationery for office use, office supplies and office equipment in 1999, and preferentially buy products with Eco Mark, Energy-Star logo, etc.

### Green Procurement

- Raw materials ●Wiring harness parts
- Packaging materials ●Supplementary materials

### Green Purchasing

- Office supplies
- Business machines and OA equipment

## Basic Requirements in the Green Procurement Guideline

### ① Requirements on environmental conservation activities:

Suppliers are required to:

- Have ISO 14001 or other external certification;
- Be in progress to obtain ISO 14001 or other external certification; or
- Be committed to the establishment of a voluntary environmental management system as preliminary stage for obtaining ISO 14001 or other external certification.

### ② Requirements on products to be delivered:

Management of SOCs





# We are actively committed to contributing to local communities, as a member of the global community.

## Basic Concept

The SWS Group has developed its business widely not only in Japan, but also in overseas. We recognize the global community as a place where all living organisms on earth including human beings live together in mutual prosperity, and the global environment supports all living organisms. We contribute to the global community through the global business success of the SWS Group and by achieving prosperity ourselves. We are conscious that we are a member of the community and, as corporate citizens, are actively committed to contributing to development in local communities, social contribution events, and so on.

## Activities in Japan

### ● Social studies field trip

In August 2008, 38 students in the 5th grade in Sasagawa Higashi Municipal Elementary School in Yokkaichi City, Mie Prefecture visited our Head Office for a factory tour as a part of their social studies field trip of the school. The aim of the tour was to experience our "Manufacturing" factory and to receive explanations on our activities with consideration to environmental preservation.

On the day, after the students looked around the factory where conveyor lines were in operation, they observed our environmentally conscious products, such as a pipe car in which we can see at a glance how wiring harnesses are mounted in an automobile, halogen-free wires, press-fit PCB connectors, etc. in the open showroom to increase their curiosity and interest in manufacturing.



### ● Delivery lecture

In October 2008, we delivered a lecture on "Basic Wiring Harness Assembly Training" at the Minato Municipal Junior High School in Yokkaichi City, Mie Prefecture, which was attended by 81 of their students in the second grade. After explaining G-STARS which is actually introduced in the Group, we conducted practical exercises of inserting terminals into connectors, winding tapes on lead wires, etc.



### ● Sumitomo Wiring Systems Suwa-Daiko Drum Team

This is a team consisting of more than 10 voluntary employees of Sumitomo Wiring Systems. At present, there are about 40 teams including approx. 1,000 members in Yokkaichi City where our Head Office is located. They perform Suwa-Daiko drums mainly at the Grand Yokkaichi Festival held in summer. The Sumitomo Wiring Systems Suwa-Daiko drum team joins various internal/external events throughout the year to contribute to developing local traditional performing arts.



## Activities of Overseas Companies

### ● Donation for Sichuan Earthquake

On May 12, 2008, a large earthquake of magnitude 8 occurred in Sichuan, China, and caused considerable damage in the region. Our Group affiliates in China including Wuhan Sumiden Wiring Systems Co., Ltd. and Huizhou Zhurun Wiring Systems Co., Ltd. made donations. Sumitomo Wiring Systems also donated 10 million yen to the Red Cross Society of China. As a global business group operating in 30 countries, we believe that it is one of our social responsibilities to offer support for reconstruction of the earthquake affected areas. Based on such a belief, we will continue to provide assistance.



### ● International Wiring System Philippines

IWSP has planned various environmental conservation activities and volunteer activities, such as blood donation, tree planting by employees, and suburban cleanup activities, to promote coexistence with communities through communication.



Tree planting, Blood donation



Suburban cleanup activities

## We are promoting further Challenge-Eco 2012 on a global scale.

### Environmental Preservation Principles

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

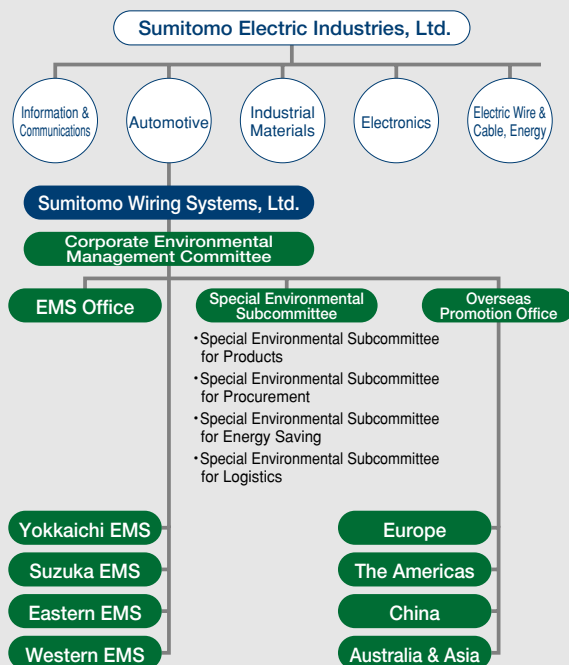
### Environmental Preservation Action Guidelines

- (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 the impact on the environment, in addition to observing environmental regulations by the government, local public bodies and other organizations.
- (3) Conduct an environmental audit or similar action to check the progress of environmental preservation plans and the health of job performance 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

From fiscal 2009, Safety & Environment Department of Sumitomo Electric Industries, Ltd., our holding company, controls the environmental management system of the SWS Group.

There has been no reorganization within our Group. The scope of overseas companies has been expanded from the conventional 13 manufacturing subsidiaries to 60 companies including both manufacturing subsidiaries and manufacturing affiliates.



### Environmental Audit

The following table shows the results of evaluation by internal and external bodies on whether or not our environmental management system is properly operated and maintained according to the requirements of ISO 14001. In the audits in fiscal 2008, 14 findings were indicated in the internal environmental audit and 5 in the external environmental audit. We corrected the indicated points, and are committed to improving the system to ensure its proper operation.

Site name	Results of internal audit		Results of external audit	
	Findings	Recommendations	Findings	Recommendations
Sumitomo Wiring Systems, Ltd.	9	68	2	19
Kanto Sumidenso, Ltd.	0	17	0	2
Sumidenso Platech, Ltd.	0	9	0	5
Sumiden Electronics, Ltd.	0	3	2	15
Kyohritsu Hiparts Co., Ltd.	1	8	0	7
Tohoku Sumidenso, Ltd.	0	17	0	3
Hokuriku Harness, Ltd., Toyo Harness, Ltd., Kyushu Sumidenso, Ltd.	4	30	1	11
Total	14	152	5	62

### Environmental Education

We have provided position-based education programs so that all employees understand the environmental conservation activities and adopt them in their daily work.

The following table shows the track record of this education in fiscal 2008.

Training details		Participants
① Introductory education	Education for new employees	1,332
② Education for newly transferred employees	Employees transferred from other regions, mid-career workers	550
③ Refresher education	Including environmental fairs	6,746
④ Environmental management education	Staff in charge of EMS	1,001
⑤ Environmental auditor education	Candidates for internal auditors	103
⑥ Special environmental education	Education for qualified persons	28
⑦ Education on significant environmental aspects	Applicable employees	169
⑧ Other education		1,010
Total		10,939

### Status of ISO 14001 Certification

The Group has 97 overseas affiliates. In order to strengthen environmental management, it is important to increase the number of overseas affiliates with ISO 14001 certification and apply efforts as a group. Eight companies have obtained ISO 14001 certification after 2007, taking the total number of companies with ISO 14001 certification to 44. Four more companies are scheduled to obtain the certification in 2009. We will try to increase the number further in the future, focusing mainly on manufacturing companies.

The following table shows the number of companies including the Group Companies which obtained ISO 14001 certification on a regional basis.

Region	Number of companies	Companies which obtained ISO 14001 certification
Japan	22	21
China	22	10
Australia & Asia	28	16
The Americas	17	5
Europe & Africa	30	13

## SWS Group Environmental Action Plan “Challenge-Eco 2012”

For the reduction of environmental impact at all stages from product development to disposal, the SWS Group established Challenge-Eco 2012 to pursue better relationships with the global community on a world-wide basis.

### ■ SWS Group Environmental Action Plan “Challenge-Eco 2012”

Activity item	Fiscal 2008 targets	Fiscal 2008 results		Fiscal 2009 targets	Fiscal 2012 targets
Strengthening Environmental Management					
Enhancement of Group-wide activities	Development to cover all group manufacturing companies, support of the companies that have not obtained ISO certification and formulation of the global environmental guideline	Investigation on the state of achievement of ISO certification by overseas group manufacturing companies (obtained by 44 companies so far), collection of environmental data, and support of the companies that have not obtained ISO certification. Preparation of the draft of the global environmental guideline.	◎	Support of the companies that have not obtained ISO certification, and establishment of simple EMS by formulating original EMS standards (Small Site Environmental Conservation Activities)	Achievement of ISO 14001 certification by all group manufacturing companies, implementation of benchmarking and adjustment of respective activities in the environmental management system of the companies on a global scale
Enrichment of environmental management information system	Establishment of specifications for the environmental data collection system	Overseas: Establishment of environmental data collection system	○	Continue Expansion of the scope of data collection on the state of compliance with laws and regulations	Sharing of environmental data on a global scale and establishment of the system for feedback to environmental management
Promoting Design and Development of Environmentally Conscious Products (Improving Product Capabilities)					
Increase in number of certified environmentally conscious products	Ratio of certified products in sales: 10% Certification of one product in each general division (four products in total) Expansion of the range to implement LCA	Ratio of certified products in sales: 4.5% Certification of three environmentally conscious products	○	Ratio of certified products in sales: 10% Certification of one product in each general division (four products in total)	Ratio of certified products in sales: 50% Establishment of LCA operation
Enhancement of cooperation with suppliers	Promotion of EMS activities in domestic suppliers (to make all suppliers receive rank B or higher)	Held study meetings for suppliers with rank C or D (ratio of suppliers with rank B or higher: 93%)	○	Promotion of EMS activities in domestic suppliers (to make all suppliers receive rank B or higher)	Ratio of the suppliers (including overseas suppliers) that have obtained external EMS certification: 100%
Realizing Clean Factories					
Energy saving (CO <sub>2</sub> reduction)	In Japan: reduction by 2% from fiscal 2007 (per unit of sales) Promotion of activities to reduce CO <sub>2</sub> emissions by 1kg per person per day	CO <sub>2</sub> emission: Reduced CO <sub>2</sub> emission by approx. 6.9 thousand tons (10%) from fiscal 2007 Increased by 11% from fiscal 2007 (per unit of sales) (Deteriorated)	△	In Japan: reduction by 1% from fiscal 2008 (per unit of sales) Promotion of activities to reduce CO <sub>2</sub> emissions by 1kg per person per day	In Japan: reduction by 50% from fiscal 1990 (per unit of sales)
	Overseas: reduction by 15% from fiscal 2006 (per unit of sales)	Increased CO <sub>2</sub> emission by approx. 130 thousand tons as a result of expansion of the scope from 13 to 60 companies Reduction by 28% from 2006 (per unit of sales)	◎	Expansion of scope and establishment of the management system	Overseas: reduction by 25% from fiscal 2006 (per unit of sales)
Promotion of logistics efficiency (CO <sub>2</sub> reduction)	In Japan: reduction by 2.5% from fiscal 2007 (per unit of sales)	CO <sub>2</sub> emission: Reduced CO <sub>2</sub> emission by approx. 3.3 thousand tons/month (15.3%) from fiscal 2007 Increased CO <sub>2</sub> emission by 3.9% from fiscal 2007 (per unit sales)(Deteriorated)	△	In Japan: reduction by 1% from fiscal 2008 (per unit of sales)	In Japan: reduction by 12% from fiscal 2006 (per unit of sales)
	Overseas: enhancement of the management system	Expansion of scope and establishment of the management system	○	Expansion of scope and establishment of the management system	Overseas: improvement of efficiency per unit of sales
Reduction of total volume of waste	In Japan: reduction by 35% from fiscal 2005	Total volume of waste in Japan: reduced by 46.4% from fiscal 2005	◎	In Japan: reduction by 45% from fiscal 2005	In Japan: reduction by 50% from fiscal 2005
	reduction by 8% from fiscal 2006 (per sales unit)	reduced by 4.4% from fiscal 2006 (per sales unit) Expanded scope (13 → 60 companies) and started data collection	△	Expansion of scope and establishment of management system	Overseas: reduction by 12% from fiscal 2006 (per unit of sales)
Control and reduction of substances of concern	In Japan: reduction by 35% from fiscal 2006 (released and transferred amount)	PRTR substances in Japan: reduced by 92.8% (transaction amount), and reduced by 71.3% (released and transferred amount) from fiscal 2006	◎	In Japan: reduction by 80% from fiscal 2006	Promotion of reduction of controlled substances in the manufacturing process
	Overseas: enhancement of the management system	Checked the state of notice of reporting PRTR Verified that affiliates in the Americas and Mexico already submitted the notice Affiliates in Europe and Korea are outside the scope Other areas: Outside control	○	Expansion of scope and establishment of the management system	
Contribution to Communities, Communication Enrichment					
Advancement of information disclosure	Issued CSR Report Transmission of information via the website	Disclosed on the website	◎	Transmission of information via the website	Expansion and improvement of information disclosure in the Group companies including overseas companies
Coexistence with communities	Continuance, expansion and improvement of volunteer activities	Active in tree planting and donation activities Provided environmental education to elementary school children through Kids' ISO and EPOC delivery lectures	◎	Continuance, expansion and improvement of volunteer activities	Expansion and improvement of local activities for environmental conservation to cover the Group companies including overseas companies

Evaluation classification: ◎ Goal achieved ○ Goal achievement ratio 70% or more △ Goal achievement ratio less than 70%

#### LCA

(Life Cycle Assessment)

LCA is a method to reduce the environmental impact of a product throughout its life cycle. In LCA, the environmental impact is assessed at all the stages including production, transportation, sales, use, disposal and reuse.

#### PRTR

The Law Concerning Reporting, etc. of Releases to the Environment of Specific Substances and Promoting Improvements in Their Management

The law obligates companies to record the released and transferred amount of chemical substances which may be hazardous to human health and ecosystems, and report the data to the government ministry.

#### Kids' ISO14000 Program

An environmental education program for children developed based on the framework of ISO. It was developed by the NPO, ArTech (International Art and Technology Cooperation Organization). It is rated highly by international organizations including ISO, and has been introduced not only in Japan but also in overseas.

#### EPOC

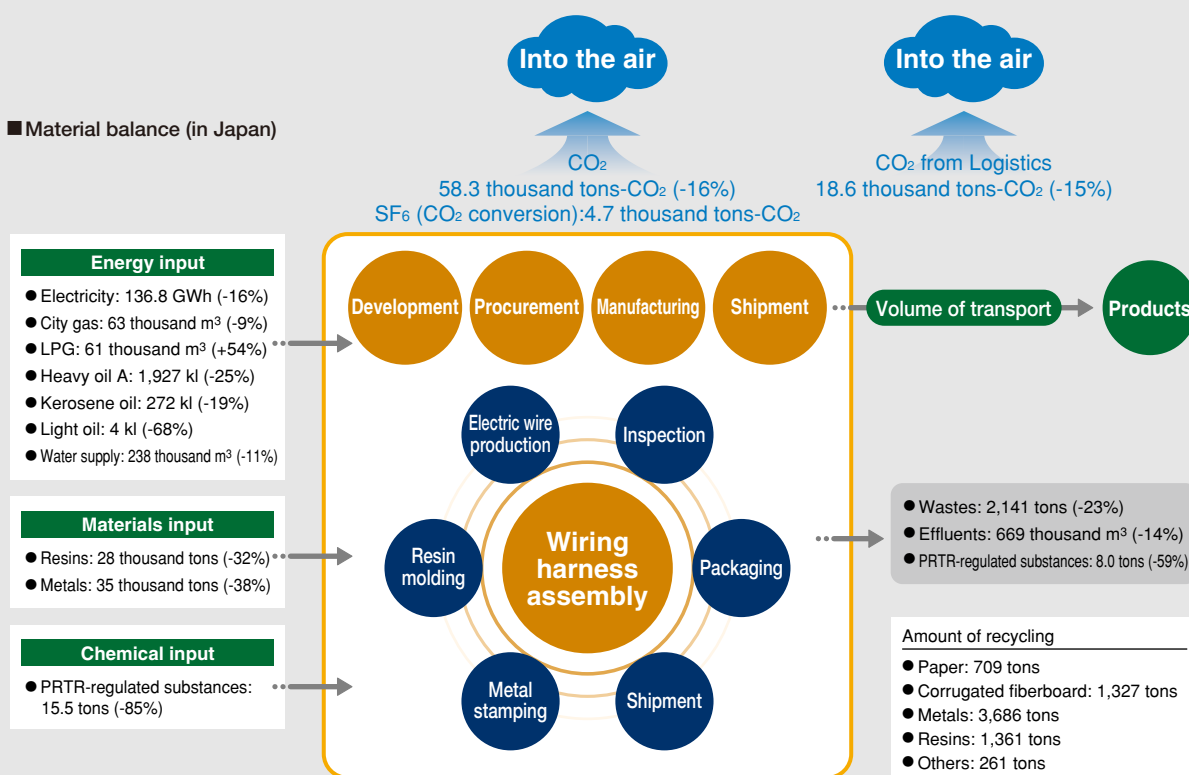
Environmental Partnership Organizing Club

Aiming at reduction of environmental impact, EPOC has developed cross-sectional activities by top management of the companies of various business types and commercial scales of operation. EPOC cooperates with citizens, well-informed experts and government administration, so "industry, government, academia, and citizens" can come together to expand environmental activities.



# We will realize clean factories through the “prevention of warming” and “reduction of environmental impact.”

■ Material balance (in Japan)



※Figures in the brackets represent changes from the previous year

## Environmental Accounting

On the basis of the Environmental Accounting Guidelines, SWS has classified environmental costs into investment amount and expense amount, and calculated them as environmental accounting since 2004. We use environmental accounting as tools for environmental management in order to conduct our activities efficiently. Investment in fiscal 2008 was reduced by 482 million yen and expenditure by 19 million yen when compared with the previous year.

■ Environmental conservation costs in fiscal 2008

Category	Results in fiscal 2008	
	Investment amount	Expense amount
① Business area costs	609,462	203,546
1. Pollution prevention costs	4,936	31,766
2. Global environmental conservation costs	560,932	64,902
3. Resource recycling costs	43,594	106,878
② Upstream/downstream costs	0	310
③ Management activity costs	6,632	281,203
④ Research management costs	23,767	7,526
⑤ Social activity costs	3,600	5,601
⑥ Environmental damage costs	0	0
<b>Total</b>	<b>643,461</b>	<b>498,186</b>

Scope of data collection: SWS Group companies in Japan

(unit: 1,000 yen)



Member of Energy Saving Expert Committee  
Executive General Manager of Development and Engineering Department  
Sumidenso Platech, Ltd.  
**Seichi Kurosawa**

Sumidenso Platech, Ltd. has three factories in Gotenba City. We have actively adopted an air-conditioning system through effective use of the natural environment by utilizing outdoor air.

We have also promoted energy saving activities with participation of all employees, from both hard and soft aspects such as improvement of production processes and always taking care to turn off unnecessary lights.

As a result, we were commended by Kanto Bureau of Economy, Trade and Industry in fiscal 2007 as an excellent factory achieving rationalization of energy utilization.

We will continue to promote energy saving activities in the future through frequent exchange of information inside and outside our company including with Group Companies to sustain the richness of our natural environment.

## We are contributing to prevention of global warming through our efforts in energy saving and more efficient transportation.

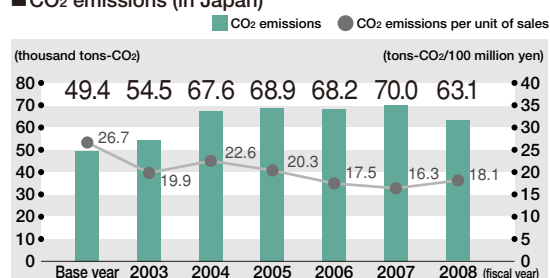
### Reduction in CO<sub>2</sub> Emissions (in Japan)

■ Fiscal 2008 target: Reduce 2% from fiscal 2007  
 ■ Fiscal 2008 result: Increased 11% from fiscal 2007

(per unit of sales)  
 Activities of the Special Environmental Subcommittee for Energy Saving and ecological activities on lighting and air conditioning in each area achieved reduction in CO<sub>2</sub> emission of approx. 1,500 tons in Japan. Along with decrease in production of goods, CO<sub>2</sub> emission was reduced by 6.9 thousand tons in total compared to the previous year.

Meanwhile, it was found that SF<sub>6</sub> was released from the electric wire irradiation facilities at the time of maintenance. We determined the total quantity consumed from 2003, and again reviewed the CO<sub>2</sub> emissions. As a result, CO<sub>2</sub> emissions per unit of sales were found to be higher by 11% compared to the previous year.

#### ■ CO<sub>2</sub> emissions (in Japan)



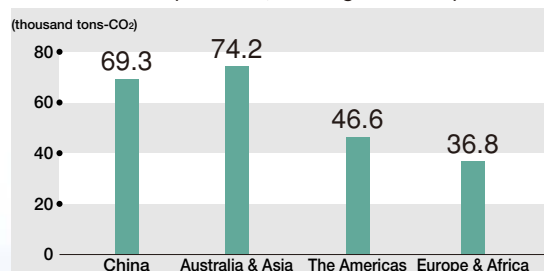
※ CO<sub>2</sub> conversion factor used for the calculation of CO<sub>2</sub> emissions  
 Electricity: 0.378 kg-CO<sub>2</sub>/kWh LPG: 6.21 kg-CO<sub>2</sub>/m<sup>3</sup> City gas: 2.08 kg-CO<sub>2</sub>/m<sup>3</sup>  
 Heavy oil A: 2.71 kg-CO<sub>2</sub>/l Kerosene oil: 0.249 kg-CO<sub>2</sub>/l SF<sub>6</sub>: 23,900 times  
 ※ Excluding Sumiden Electronics, Ltd. which became a wholly owned subsidiary of Sumitomo Wiring Systems in April 2008 (11.9 thousand t-CO<sub>2</sub> in fiscal 2008)

### Reduction in CO<sub>2</sub> Emissions (Overseas)

■ Fiscal 2008 target: Reduce 15% from fiscal 2006  
 ■ Fiscal 2008 result: Reduced 28% from fiscal 2006

(per unit of sales)  
 The scope for reducing CO<sub>2</sub> emissions in overseas areas has been expanded from fiscal 2008, from 13 manufacturing subsidiaries to 60 manufacturing subsidiaries and affiliates. In fiscal 2008, we could obtain CO<sub>2</sub> emission data from 51 companies, which showed 227 thousand tons of CO<sub>2</sub> emissions. CO<sub>2</sub> emissions per unit of sales were reduced by 28% compared to 2006, and we achieved our target.

#### ■ CO<sub>2</sub> emissions (Overseas, on a regional basis)



※ Number of companies whose data was collected  
 China:12 / Australia & Asia: 15 / The Americas: 9 / Europe & Africa:15

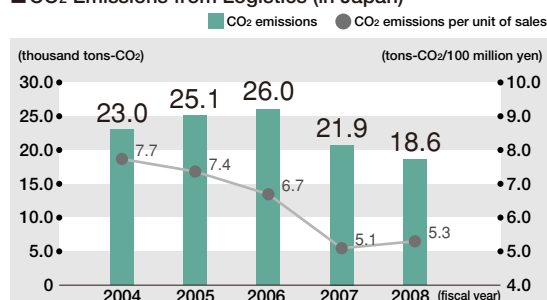
### Reduction in CO<sub>2</sub> Emissions from Logistics (in Japan)

■ Fiscal 2008 target: Reduce 2.5% from fiscal 2007  
 ■ Fiscal 2008 result: Increased 3.9% from fiscal 2007

(per unit of sales)  
 In fiscal 2008, the quantity of distributed goods declined drastically due to reduction in production volumes, and CO<sub>2</sub> emissions were also reduced significantly. However, since we were not sufficiently prepared for the changes, CO<sub>2</sub> emissions per unit of sales were actually higher by 3.9% compared to the previous year.

Regarding amount of modal shift, we achieved 8.61 million-ton kilometers by use of ferry transportation instead, and 2.03 million ton-kilometers by use of railway transportation.

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



### Overseas CO<sub>2</sub> Reduction Activities

The Group Companies are committed to activities to reduce CO<sub>2</sub> emissions in overseas areas also.

At SDM-S, which is located in Suzhou in China, employees engage in planting trees. At SDVN in Vietnam, employees continue to engage in planting trees and maintenance activities. We have also developed links of activities to contribute to preservation of the global environment with participation from all employees.



Sumidenso Mediatech Suzhou Co., Ltd.



Sumidenso Vietnam Co., Ltd.

**SF<sub>6</sub>**  
 Sulfur Hexafluoride  
 Since SF<sub>6</sub> has a high global warming potential of 23,900, and its atmospheric lifetime is long, it was placed on the list of greenhouse gases as a controlled gas for prevention of global warming.

#### Modal shift

To replace truck transportation by railway and ship transportation, which have less environmental impact, as a measure to improve efficiency and reduce environmental impact in transportation.

# We will expand global environment-conscious research, development and manufacturing into the future.

## "Eco Symbol Mark" certified products

The SWS Group launched the "Eco Symbol Mark Certification System" based on its original criteria in May 2005 so as to "contribute to global environmental preservation through products," and has certified ten products until now. Special Environmental Subcommittee for Products which was established under the Corporate Environmental Management Committee has promoted certification as the main body. Thirteen items have been selected as the items to be evaluated on environmental consciousness (emphasized environmental items) based on "ISO 14021 (JISQ 14021) environmental label and declarations, and on self-declaration environmental claims (Type II "environmental labeling").

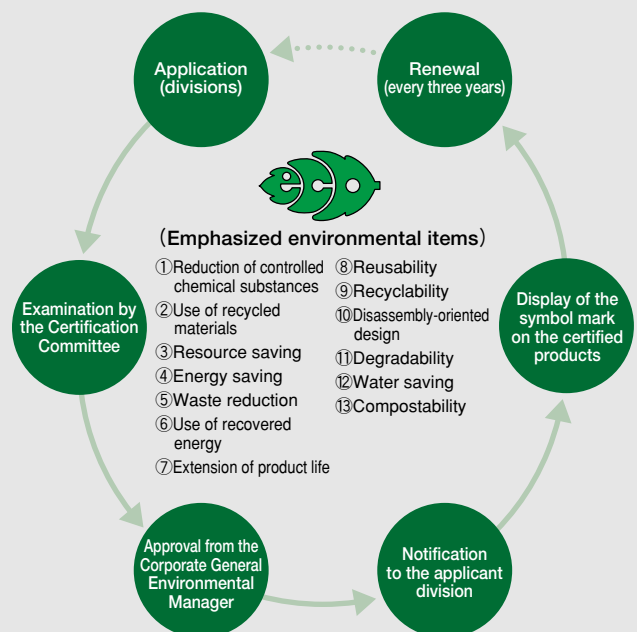
### ■ "Eco Symbol Mark" certified products list

Product name	Date of certification	Emphasized environmental items
ISO halogen-free wires	September 2005	Reduction of controlled chemical substances, Resource saving
Easy-to-disassemble engagement-style grounding terminals	January 2006	Disassembly-oriented design, Waste reduction
Flat wiring harness	March 2006	Resource saving, Energy saving, Reduction of controlled chemical substances
Press-fit PCB connectors	November 2006	Reduction of controlled chemical substances
CHFUS 0.13-mm <sup>2</sup> wires	November 2006	Resource saving, Reduction of controlled chemical substances
Low-VOC tape (protection tape)	November 2007	Reduction of controlled chemical substances
Lead-free PD	February 2008	Reduction of controlled chemical substances
Water-proof terminal for medium current	October 2008	Resource saving, Waste reduction
Small connectors 0.64 II	October 2008	Resource saving, Energy saving
f3 corrugated tube	March 2009	Resource saving, Energy saving

## "Eco Symbol Mark" of Sumitomo Wiring Systems



### ■ Flowchart of certification of "Eco Symbol Mark"



Exterior Parts  
Engineering Group,  
Development & Engineering  
Department 1  
Wiring Harness  
Manufacturing Group - Western  
Customers Division 1  
**Masao Suzuki**

We developed small diameter corrugated tubes for reducing weight of automobile components and for producing small diameter electronic wires. Because of this reduction in diameter, the quantity of resin material has been reduced, which in turn has resulted in weight reduction. We also redesigned shapes so slits are hard to be opened by improving indented surface of the tubes. As a result, winding tape for bundling harnesses is no longer necessary. We also achieve multiplier effect of reduction in weight through reduction in components other than corrugated tubes.

In addition, CO<sub>2</sub> emissions are reduced by reduction in power consumption at manufacturing, and fuel economy while driving is improved by the reduction in weight.

In the future, we will promote development of environmentally conscious protectors through awareness of selection of materials used and reduction in weight.



Φ7COT  
Φ5COT  
Φ3COT



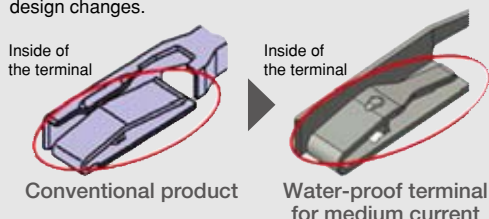
## We are contributing to the realization of a sustainable society through development of environmentally conscious products with reduced environmental impact.

■ Fiscal 2008 target: Four newly certified products  
 ■ Fiscal 2008 result: Three newly certified products

The following are the "Eco Symbol Mark" products certified in fiscal 2008.

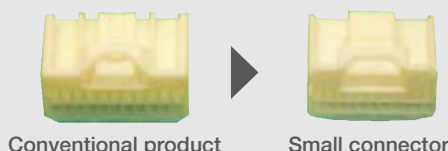
### Water-proof Terminal for Medium Current

This is a water-proof terminal to connect the power circuit in an engine room. We achieved reductions in raw material by approx. 5% and in waste generated in the manufacturing processes by approx. 6%, by reduction in weight through design changes.



### Small Connectors 0.64 II

By reducing the pitch between the terminals, we achieved reduction in raw materials by approx. 30% as a result of reductions in size and weight of the terminals and housings comprising the connectors.



### f3 corrugated tube



Contribution to reduction in weight of products with f3 corrugated tube is achieved through successful reduction in raw materials by approx. 29% compared to conventional f5 corrugated tube.

The SWS Group believes in the importance of joint commitment with suppliers in achieving environmentally conscious products. It holds study sessions for suppliers to encourage higher levels of supplier commitment to environmental conservation activities. In February 2009 of fiscal 2008, we held study sessions for suppliers who have planned to introduce environment management systems such as ISO14001 with the cooperation of M-EMS Certification Organization and EcoStage Institute. At the session, we brought up examples of our suppliers who have already introduced environmental management systems.



Report of our suppliers' cases

In November 2008, we introduced other similar activities with the title of "Environmental Conservation Activities through 'Supply Chain'" in the "Seminar of Management which Makes the Best Use of 'Environment'" held under the auspices of the Yokkaichi Chamber of Commerce and Industry and Mie University.



Seminar of Management which Makes the Best Use of 'Environment'

Against the background of increasing trend of reduction in weight of automobiles and environmental restrictions including REACH regulations in Europe, all Group Companies are committed to designing environmentally conscious products. In particular, we strive to increase the ratio of sales of products certified as environmentally conscious to 10% by the end of fiscal 2009. This ratio was approx. 4.5% in fiscal 2008.

### Environmental label

Environmental labels convey to consumers the environmental aspects of products and services through statements, symbol marks and graphics on the products, packaging labels, product instructions, technical reports, advertisement, press releases, etc.

### VOCs

(volatile organic compounds)  
 Generic term for substances that easily volatilize into the air at normal temperature and pressure.

### M-EMS

Mie-Environmental Management System for small-scale enterprises

### REACH Regulations

Registration, Evaluation, Authorisation and Restriction of Chemicals  
 A comprehensive system for registration, evaluation, authorisation and restriction of chemicals, which entered into force in the European Union (EU) on 1st June 2007.



## We are performing waste reduction activities on a global scale in the spirit of "Mottainai."

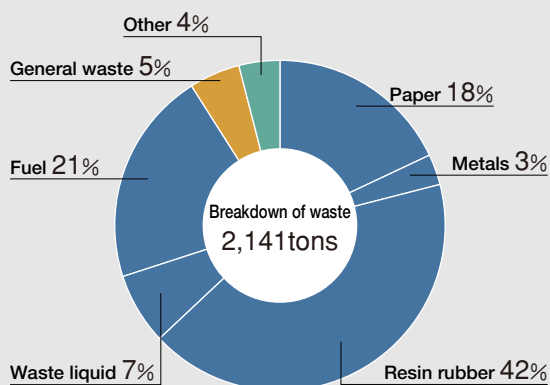
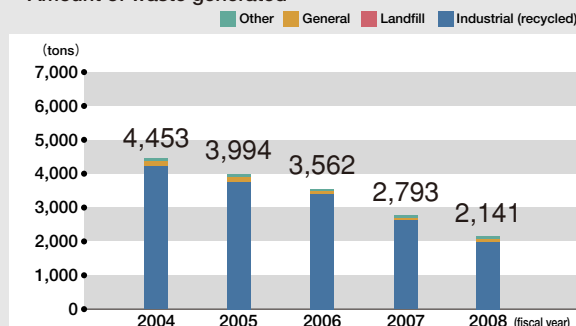
### Waste (in Japan)

- Fiscal 2008 target: Reduce 35% from fiscal 2005
- Fiscal 2008 result: Reduced 46% from fiscal 2005

We have promoted steady annual reduction in waste output through appropriate collection of recyclable waste. In fiscal 2008, we reduced waste output by approx. 650 tons compared to the previous year, or to 50% less than in 2004. The result mainly came from activities by "Eco Club" in each site. As a result of thorough waste separation and recycling, the amount of recycled resin waste got closer and closer to zero. We also attained significant results including reduction of paper by 70%, and of metal scrap by 60% less than in fiscal 2004.

※ Some data on waste generated between 2005 and 2007 was not included in the CSR Report 2008. This has been corrected in the current report.

#### Amount of waste generated



### Waste (Overseas)

- Fiscal 2008 target: Reduce 8% from fiscal 2006
- Fiscal 2008 result: Reduced 4.4% from fiscal 2006

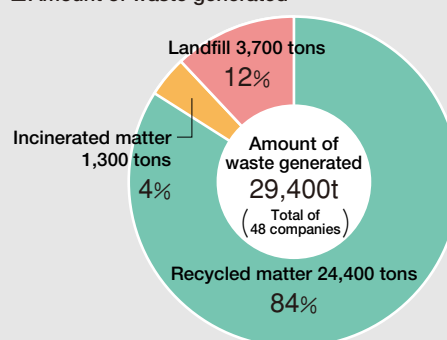
(per unit of sales)

We collected data on waste generated at 13 overseas manufacturing subsidiaries between 2006 and 2007. Since 2008, we have expanded the coverage to 60 overseas manufacturing subsidiaries and affiliates, and have collected data from 48 companies.

As a result, the total waste output in 2008 was found to be 29,400 tons which is three times that of the previous year. However, the breakdown shows that 84% was recycled matter and most of it was sold for profit.

The output per unit of sales in 2008 was 5.2 tons/100 million yen. Although we could not meet our target compared to 2006, we intend to improve our accuracy in data collection, and are committed to recycling.

#### Amount of waste generated



### Waste Reduction Activities in China

#### Sumidenso Mediatech (Huizhou)Ltd.

Sumidenso Mediatech (Huizhou)Ltd. is committed to activities to reduce plastic shopping bags, and calls on its employees to adopt environmentally conscious behavior in their daily lives.



## We are contributing to building a clean society in compliance with laws and regulations.

### Reduction of Substances of Concern

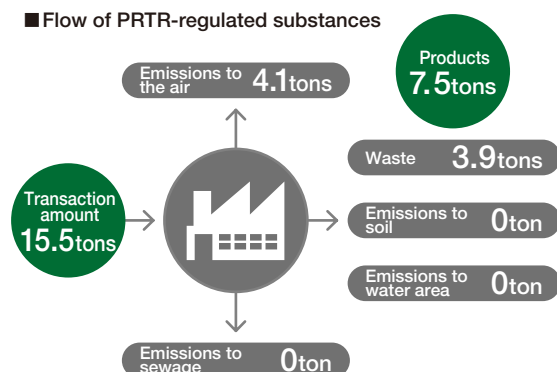
■ Fiscal 2008 target: Reduce 35% from fiscal 2006

■ Fiscal 2008 result: Reduced 93% from fiscal 2006

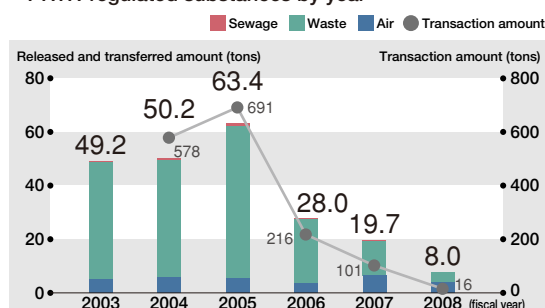
The transaction amount of PRTR-regulated substances was reduced significantly by 85% compared to the previous year. The result came from abolition of the use of DOP (dioctyl phthalate) and termination of production of industrial electric wires in the Electric Wire Division, which accounted for the major amount handled.

As a result, the emissions to air were reduced by 37% compared to the previous year, and the amount transferred to waste was reduced by 70%. We were thus able to meet our environmental targets in fiscal 2008.

#### ■ Flow of PRTR-regulated substances



#### ■ PRTR-regulated substances by year



### Compliance with Laws and Regulations

The following table shows the records on compliance with laws and regulations in the past three years where the records of the Group Companies are included.

In fiscal 2008, there was an environmental accident of fire from a compressor. We determined the cause and took measures to prevent recurrence. The number of complaints decreased from the previous year. However, there was a complaint from a cooperating company that a waste disposal point was wrong.

	Violation of law	Penalty and lawsuit	Accidents	Complaints
Total in 3 years	0	0	1	10
Fiscal 2008	0	0	1	1
Fiscal 2007	0	0	0	5
Fiscal 2006	0	0	0	4

### Soil

SWS reported a case of soil contamination identified at the SWS WAY Center, which we have been using as our training institute from the start, to the Environment Preservation Department, Environment Division, Yokkaichi City on March 25, 2008, based on the Mie Prefecture's Regulations.

After that, based on advice from Yokkaichi City and opinions of the peripheral residents, we conducted construction work of replacing part of the soil having relatively high contamination levels and paving the entire bare areas with concrete or asphalt, as measures against the problem, in order to prevent the soil from spreading around the area and to prevent contamination of ground water due to penetration of rain water.

We also tested the underground water systematically, and confirmed that there was no contamination of the water.

### PCB

In accordance with the enforcement of the Law Concerning Special Measures against PCB Waste in July 2001, the SWS Group replaced all lighting equipment that use PCB-containing stabilizers. We also store other PCB-containing devices-- such as high-voltage capacitors-- as PCB waste under strict control, and make notifications in conformity with the law.

We are now preparing to take measures to render the PCB waste harmless.

#### ■ Number of waste PCB-containing devices, etc. (units) stored and used

	PCB-containing devices	Low-level PCB-containing devices Waste	
	Waste	Waste	In use
Transformer	0	18	3
Capacitor	9	6	1
Fluorescent lamp stabilizer	141	0	0

### Eco Club

Lower organization of EMS of the SWS Group  
 "An organization committed to improvement and practical activities against environmental issues of immediate concern"  
 It gives guidance on waste separation, presents items reused in the Group, etc.

### PCBs

(Polychlorinated Biphenyls)  
 PCBs are highly toxic to organisms, and accumulate easily in adipose tissue. They are also known to be carcinogenic and cause skin problems, visceral disorder and hormonal abnormality.





## We have been receiving reports from overseas affiliates also on activities through communication with local communities.

### Environmental Report in Japan

- Received award from Ishikawa Prefecture for being a company that has contributed to the "Prefectural Citizens' Activity for Eco Life"

Hokuriku Harness Ltd., an SWS subsidiary (headquarters: Kanazawa City, Ishikawa Prefecture), received a Certificate of Gratitude from Ishikawa Prefecture on March 13, 2009, as recognition for their activities for the "Prefectural Citizens' Activity for Eco Life" sponsored by Ishikawa Prefecture.

The "Prefectural Citizens' Activity for Eco Life" is an activity that has been implemented with concerted efforts by prefectural citizens to prevent global warming since 2006. In this Activity, the results of CO<sub>2</sub> reduction activities are recorded in a check sheet at business entities and households for the prescribed period, and the calculated amount of reduction is announced.

870 employees from Hokuriku Harness Ltd. have participated in the Activity since the initial year, and their proactive approaches were evaluated. The Certificate of Gratitude was awarded to four companies and associations in Ishikawa Prefecture, including Hokuriku Harness Ltd.

Encouraged by this commendation, we will make further efforts to reduce CO<sub>2</sub> and prevent global warming.



Awarded by the Governor of Ishikawa Prefecture (Right)

- Implementing environmental education at local elementary schools

SWS has commenced to provide education regarding global warming for elementary school students in the region, in cooperation with Mie Prefecture, Yokkaichi City, and the Board of Education.

This is the first case in the nation where a company is involved from the phase of material preparation, and is focused on as joint CO<sub>2</sub> reduction activities.



- Environmental Fair

The in-house Environmental Fair, which started as a part of environmental education for employees, has now been extended to all sites in Japan. Also, we have now made the Environmental Fair open to the public, including exchanges with local communities.

In fiscal 2008, 6,700 employees and 2,600 members of the public visited the Environmental Fair and understood our Group's environmental efforts.



### Environmental Activities of Overseas Companies

- Sumidenso Mediatech Suzhou Co., Ltd.

As a part of environmental conservation activities, employees of Sumidenso Mediatech Suzhou Co., Ltd. have engaged in cleaning suburban areas.



### Third-party Opinion

When I read through this report, taking last year's report in comparison, I got strong impressions on three points: that "the contents were enriched"; that "it was easy to understand"; and that "it showed an attitude to report appropriate as a global company." Since the number of pages is the same 30 as last year, I can easily guess that huge efforts must have been made in examination and editing of the content. In addition, although there were concerns about stagnation of CSR management under a severe economic environment, these concerns have been swept away by top management's firm resolution to promote CSR management, announcement of starting discussions to set specific KPIs for long-term CSR strategies, etc.

In terms of content, new features, articles on risk management (5 Major Risk Management Activities, Fiscal 2008 result, Activity Plan for Fiscal 2009), promotion of Pika Pika Campaign, global CO<sub>2</sub> emissions on a regional basis, and other items of great interest to stakeholders have been added. In particular, the contents of the feature "Fostering STARS with Skills" contains one of the two major concepts of SWS WAY which has been handed down since SWS's foundation, and this is an appropriate theme because SWS needs to underscore the point.

While the content has been enriched, some contents from last year have been deleted, probably to limit the number of pages to 30, the same as last year, and due to topic selection. One of the contents deleted is "Environmental Efficiency." As explained in last year's report, "Environmental Efficiency" is an important index "to promote environmental management efficiently." In particular, SWS provided numerical values of 19 classification items in 2006 and 2007, which information was very useful in evaluating changes in environmental management. I hope such information will be included in the 2010 report also.

I think the contents are easy to understand because policies, principles and concepts are explained first, after which management and performance of the year concerned are detailed. I think that appeal will be increased if "issues" are summarized at the end of each item.

With an overseas employee rate of 88.5%, SWS is a representative global company group in Japan. In consideration of this status, last year's report included overseas information at many points. Also, overseas information content in the current report has been increased. In particular, it is highly regarded that the data on CO<sub>2</sub> emissions and waste generation have been collected by expanding the scope of coverage. Moreover, I feel a strong eagerness on the part of SWS to enrich overseas information through announcement of "improvement of accuracy of collected data." I expect that SWS will firmly maintain this attitude, and that its report will serve as a model for other global company groups.

Regarding social reporting, I asked SWS last year to discuss future enrichment of the report within the Group and report on it. However, the social report seems to be still at the stage of discussion. In particular, the content provided on Work-Life Balance under "Employees" is just a general explanation of the system. I would guess that there are suitable real cases that only a global corporate group can see in overseas SWS Group Companies. I think the company should report on such cases to share activities of work-life balance, not only within the SWS Group but also with other companies in Japan.

It is reported in "Employment of Diverse Human Resources" that there was a reduction in workforce by approx. 30,000 employees (22%). This was a result of employment adjustment, for survival during the global economic crisis and the severe international competition. I highly value the disclosure because it is a major concern for stakeholders. However, I think SWS should also explain the basic approach related to employment adjustment from the CSR's point of view to generate more understanding of CSR management of SWS. In addition, the treatment given to non-regular employees has become a serious social problem in Japan. Therefore, I would hope for SWS to report actual employment conditions, such as providing opportunities for non-regular employees to become regular employees, as shown in "Feature" (P12).

**Tamio Yamaguchi**

**Representative of Workers Club for Eco-harmonic Renewable Society**

Workers Club for Eco-harmonic Renewable Society is a civic group aimed at examining the establishment of a society in harmony with the natural ecosystem, to be handed down to the next generation, and conducting research, support and practice of local activities of citizens, companies and governments for the creation of a recycling-oriented society.  
URL: <http://www.nord-ise.com/junkan/>



### Receiving the Third-party Opinion

The SWS Group has tried to publish CSR Report where we enhanced the contents since last year. We thank Mr. Yamaguchi for his valuable opinions in both these issues of the report. We accept these opinions with sincerity, and will work to improve on the indicated points.

Due to rapid deterioration in the business environment since last year, our Group is also experiencing an unprecedented serious situation. However, in the spirit of "Connect with the Best," we will implement global CSR promotion, aiming at a company which wins the trust of various stakeholders.

Norichika Shimoda,  
General Manager of General Affairs Department  
Sumitomo Wiring Systems, Ltd.

# Connect with the Best

~Technologies Connecting You to the Future~



**Sumitomo Wiring Systems, Ltd.**

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