

CSR Promotion Status(fiscal 2015)

■ Explanatory note: A: 5.0 points, B: from 4.0 to 4.9 points, C: from 3.0 to 3.9 points, D: 2.9 points and below Points represent result of self-evaluation on a scale of 1.0 to 5.0 points that was implemented in reference to the “CSR Check Sheet (revised version as of April 2010)” formulated by JAPIA.

Category	Initiatives	Responsible Organization	Numerical targets (if applicable)	Structure for Promotion, Action taken and Degree of Attainment	Self-evaluation
1. Safety and quality	1-1. Understanding customer needs, providing products that benefit society	Sales Division, R&D Division and Quality Assurance Department		Establish and implement a system for checking on market needs and development goals at commencement of basic development / Establish and implement a system for checking on customer needs at the start of application development / Process inquiries and estimation requests in accordance with prescribed workflows and pass them on to the relevant sections through in-house computer networks / Update customers' product requirements and pass this data on to the relevant sections in a systematic manner / Analyze collected market information and pass it on to the relevant sections in accordance with prescribed workflows	B
	1-2. Providing information on products in an appropriate manner	Sales Division and Quality Assurance Department; production sites		Provide appropriate information on R&D phase technologies in accordance with prescribed workflows / Provide information on product composition in a systematic manner in accordance with customer and legal requirements and such automobile industry standards as the International Material Data System /Collect information on product failures and share such information in a systematic manner	
	1-3. Ensuring product safety	R&D Division and Quality Assurance Department; production sites		Verify the safety of pre-productions pursuant to the prescribed operation procedures / Establish and implement a system to check the impact on products due to usage conditions and environment, and to verify failure mode using FMEA (failure mode and effects analysis) and FTA (fault tree analysis) to determine its usefulness prior to supplying them to customers / Examine and verify conformity to legal and safety requirements as well as market and customer needs in a systematic manner at the R&D phase / Quality risk items requiring compliance with legal and safety requirements are identified and are closely controlled / Develop and implement a global defect information network to achieve rapid dispersal of information to bases worldwide	
	1-4. Ensuring product quality	Quality Assurance Department	Quality Management System Steering Committee (once a month)	Establish and apply quality management systems within an organizational structure designed to assist quality management activities / Quality management activities are constantly pursued using the PDCA method, with policies and targets being formulated for each fiscal year / Integrate product development processes and Advanced Part Quality Planning (APQP) at locations worldwide / Created and implemented a system for manufacturing facility development and global production to ensure quality management / Maintaining the ISO9001 and ISO/TS16949 certifications. Currently working to strengthen the quality management system, including the revised standard ISO9001:2015	
2. Human rights and working environment	2-1. Abolishment of discrimination (ensuring equal employment opportunity)	HR Department		Wage structure and personnel evaluation system are set forth irrespective of gender / Gender is eliminated from items verified at the examination for wage raise and promotion	B
	2-2. Respect for human rights (prevention of harassment)	HR Department, Compliance Committee	Activities aimed at raising associates' awareness of compliance (twice a year)	Conduct “compliance proficiency tests” aimed at raising associates' awareness of compliance across the board (twice) / Internal consultation service has been established and announced companywide / Whistle blowers are protected under the prescribed in-house rules	
	2-3. Abolishment of child labor	HR Department		The Company demands newly recruited employees to submit documents to identify their age under the rules of employment	
	2-4. Abolishment of enforced labor	HR Department		Although the company may check employee's passport for proof of identity, the submission of a passport is not required	
	2-5. Appropriate wages	HR Department	Confirmation of minimum wage set forth by local governments (once a year)	The Company is comparing its wage levels and minimum wage set forth by each prefecture, ensuring that it is complying with the law (implemented utilizing a wage database system)	
	2-6. Working hours	HR Department	Managerial training themed on labor time management (once a year)	In accordance with an agreement with the labor union, notification of overtime work exceeding prescribed baseline hours must be submitted and permission gained in advance / Attendance management system is utilized to verify whether working situations are complying with the Labor Standard Law	
	2-7. Communication and consultation with associates	HR Department		Frequency of labor-management consultations as well as matters to consult with is set forth in labor agreement	
	2-8. Safety and health of the working environment	Central Safety and Environment Committee	Reduce occupational accidents (50% year on year) to three or fewer per year	Annual activity plans for facility safety countermeasures and sanitary control at workplaces are formulated and implemented by the Central Safety Environment Committee / FRESH Center and Health Management Office formulate annual activity plans for health management and manage their implementation / Implemented standardized safety manuals for global locations based the manual used in Japan	
	2-9. Human resources nurturing	HR Department	Conducting Education Programs for associates tailored to their rank and job roles (once a year)	Established Ai-Village global training center as a facility to nurture globally capable human resources / Prepared a guidebook that summarizes the content of in-house educational programs and distributed it to all associates while providing them with opportunities to participate in such programs / Held global management training programs for managers from Group locations worldwide in response to globalization (twice a year) / Education programs for associates tailored to their rank and job roles are implemented (Conducted rank-specific training: new recruit training conducted once in spring and once in autumn. Conducted one training for second year, third year, and seventh year training and newly appointed team leaders, one for newly appointed assistant managers, one for newly appointed senior staff, and one for new managers).	

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3. Environment	3-1. Environmental management	Global Environment Committee, etc.	Renewal of the ISO14001 certifications Environmental education	Renewed the ISO14001 certifications at Yamagata Manufacturing, AKBT (Thailand) as well as two other locations / Began providing online educational programs with regard to environmental activities / Continued tree-planting activities in consideration of vegetation.	B
	3-2. Reduction of greenhouse gas emissions	Global Environment Committee (CO ₂ Emission Reduction Project)	Improve CO ₂ intensity 1% or greater every year until 2020 (in reference to JAPIA target value)	In fiscal 2015, CO ₂ emissions per unit of sales on a global basis declined 5.1% year on year through the introduction of next-generation friction material production facilities and the application of heat-insulating coatings to the rooftops of plant buildings	
		Global Environment Committee (logistics environment sectional committee)	Improvement of transportation efficiency: set target to reduce energy intensity 1% year on year basis (in reference to revised Energy Conservation Law)	CO ₂ emissions from logistics operations declined 4.8% year on year through the introduction of a system for the real-time management of truck operations and other measures.	
	3-3. Preventing pollution of environment (air, water and soil)	Manufacturing Division	Continued efforts aimed at reducing environmental impact	Reduced SOx emissions through the changeover of oil fired boilers to heat pumps	
	3-4. Resource saving and waste reduction	Global Environment Committee (zero-emissions sectional committee)	Maintenance of zero-emissions status (no direct landfill of waste) Promote the reduction and proper disposal of waste	Zero-emissions (no direct landfill) of waste sand was accomplished in fiscal 2015 for the second consecutive year through the efforts such as recycling of sand into cement raw material / Reduced the emission of waste cutting fluid accompanying machining processes by using filtration and centrifuge equipment to recycle such fluid	
	3-5. Chemical substance management	Environment Department, R&D Division	Response to regulations on copper used in friction materials set forth by states of California and Washington, the United States / After January 1, 2021, materials for new automobile containing 5wt% of copper or more are going to be prohibited / After January 1, 2025, materials for new automobile containing 0.5wt% of copper or more are going to be prohibited	The Company initiated the mass-production of copper-free friction materials for front and rear brakes in 2014 while working to improve the performance of such materials / Chemical substances designated by PRTR laws contained in newly developed friction materials are checked and tracked	
4. Compliance	4-1. Compliance with laws and regulations	Compliance Committee	Compliance Committee meetings (five times per year) / Compliance understanding tests (once a year) / Provision of training sessions themed on relevant laws (six occasions per year) / Workplace discussion (once a year)	Compliance Committee meetings are held five times a year and relevant issues and initiatives are discussed / Conducted “compliance proficiency test” for all domestic associates to reinforce their knowledge of compliance (once) / Provide compliance training sessions (six times per year) to raise associates' awareness / Provided compliance training sessions (six times per year) and a workplace discussion as a measure for compliance month to raise associates' awareness	B
	4-2. Compliance with competition laws	Compliance Committee	Provision of training sessions themed on relevant laws (11 occasions per year)	Created guidelines on prevention of cartels and bid rigging, and promoted them throughout the Company / The Company raises alerts, regularly sharing data on the latest cases of legal violations through intranet / Conducted training on Japan's “Act Against Delay in Payment, etc., to Subcontractors” (11 times) and promoted awareness raising activities	
	4-3. Corruption prevention	Compliance Committee		Created bribery prevention guidelines and raised awareness of them in Japan and overseas.	
	4-4. Control and protection of secret information	Compliance Committee	Audit and review of trade secret management on an annual basis	Conduct audit and review of the status of trade secret management on an annual basis while raising alert over the handling of such secrets by distributing booklets presenting the action guidelines for associates at domestic and overseas locations	
	4-5. Control of export transactions	Compliance Committee	Provision of training sessions themed on relevant laws (twice a year)	Export transactions are managed and overseen by structures set forth in the in-house rules and processed with prescribed operation flow provided by such rules / The Company submitted the “Export Control Rules for National Security” to the Ministry of Economy, Trade and Industry, and is registered as an exporter / Training sessions themed on relevant laws were held to raise associates' awareness of compliance (once a year)	
	4-6. Intellectual property protection	Legal & Intellectual Property Department		Patent guarantee (non infringement of other companies' patents): patent guarantee for products is conducted in Japan at process review stages 2 and 4 using patent examination sheets. The same system is used overseas (U.S. and Europe) / Development Patent Committee: Continued efforts to evaluate and register newly obtained published patents of other companies for each working group meeting during development (Check other companies' trends and stay aware of other companies' patents)	
5. Information disclosure	5-1. Information disclosure to stakeholders	Corporate Communications Office Investor Relations Office	The issuance of the AKEBONO REPORT (once a year, both in Japanese and English)	Information is appropriately disclosed to stakeholders, giving sufficient consideration to the content and the timing / Matters such as financial conditions, performance and business activities are disclosed through such media as TD net and EDINET pursuant to the rules of information disclosure set forth by such media / Update the Company's websites as needed to improve visibility and to ensure that the latest information is disclosed / The Company issues “AKEBONO REPORT,” which integrates the corporate brochure, CSR report and annual report for the convenience of stakeholders	B

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6. Risk management	6-1. Companywide risk management structure	Risk Management Committee / Risk Evaluation Committee	Launch risk management employing the PDCA cycle by formulating risk response plans for each critical issue	Conduct annual reviews on Companywide critical issues and appoint responsible person and organization to each issue, having them formulate risk response plans that have to be deliberated at the Risk Evaluation Committee; the plans approved by the committee will then be implemented and the status of these plans reported to the committee in a periodic manner / Utilize risk management system established at each overseas region to prepare biannual reports on the status of risk response plan implementation for review by the committee / The status of risk management activities undertaken by Group members worldwide and their risk management policies are reported annually to the Board of Directors after being discussed by the committee	B
	6-2. Enhance Business Continuity Management (BCM)	BCM Countermeasure Subcommittee (a special subcommittee operating under the Risk Evaluation Committee)	Formulate business continuity plans (BCPs) for production line for each mainstay product / Conduct annual disaster drills aimed at practicing collaboration between locations (once a year)	Continued to improve the quality of first emergency response through the update of response plans, the implementation of earthquake drills and the preparation of disaster response manuals / The BCM Countermeasure Subcommittee, a cross organizational team launched in April 2013, has developed comprehensive Business Continuity Plans (BCPs) aimed at restoring capacity to produce priority items and ensuring business continuity if a mega earthquake were to strike the Company's domestic facilities. The team also formulated structural reinforcement plans for the facilities at each location to ensure greater earthquake resistance and undertook the analysis of and devising of countermeasure against risks associated with supply chains and information systems while considering the possibility of designating substitute facilities to offset the depletion of production capabilities due to disaster. Issues have been significantly clarified through these activities and the subcommittee will continue to upgrade countermeasures / In addition to natural disasters, the Company's operations could also be interrupted by factors such as country risks, cyber-attacks, and pandemics. The Company will expand its BCM initiatives to cover these risks as well	
7. Social contribution	7-1. Contribution to local communities	General Affairs Department	Meeting with local residents for the exchange of opinions (once a year or more) / summer festivals (once a year) / Voluntary cleanup activities at the local areas (twice a year)	Regularly hold meetings with local residents for the exchange of opinions (six meetings were held in fiscal 2015 attended by 47 people in total) / Welcomed elementary and junior high school students to plant tours while hosting “Open House Events” for families of associates wishing to see worksites (such events were held on 30 occasions on a Groupwide basis during fiscal 2015, with 1,144 attendees in total). / Sponsoring summer festivals every year (such festivals were held at six domestic locations in fiscal 2015 with a total of 7,262 people participating) / Local voluntary cleanup activities are undertaken by associates regularly (such activities were held 10 times in fiscal 2014 with a total of 467 associates participating)/ Local greenery development activities are undertaken regularly (such activities were held seven times in fiscal 2014 with 141 associates participating in total)	C
8. CSR promotion structure	8-1. Structure for developing CSR activities inside the Group	Corporate Branding Office		CSR activities are led by the Corporate Brand Management team under the recognition of “CSR is indispensable for corporate brand management and an essential for continuing our business operations” / Each relevant section and committee sets targets and evaluates achievements on a separate basis. The Company recognizes that those initiatives must be integrated and promoted on a Groupwide basis in the future	B
	8-2. Structure for developing CSR activities involving suppliers	Purchasing Division		Work to nurture more favorable partnerships with suppliers, strictly comply with relevant laws and regulations and the principles of fairness and equity in conducting business transactions / Revised the Green Purchasing Guidelines in February 2012 to step up green procurement efforts / Launched tracking surveys to watch for “conflict minerals” entering supply chains in line with a policy of ensuring parts and material procurement that gives due consideration to the global environment and human rights protection	