

Corporate Social Responsibility Based on the YKK Philosophy

The YKK Group strives to contribute to a sustainable society through its core businesses by implementation of the YKK Philosophy of the "Cycle of Goodness," and its Management Principle "YKK seeks corporate value of higher significance."

Fundamental Approach

Ever since YKK's founding, the spiritual pillar of all YKK Group business operations has been the "Cycle of Goodness" Philosophy which embodies our belief that no one prospers without rendering benefit to others.

All YKK Group companies based in 73 countries/regions around the world share the "Cycle of Goodness" Philosophy and the Management Principle "YKK seeks corporate value of higher significance." Fairness is the standard on which we base our conduct.

The YKK Group's Corporate Social Responsibility

We do not take lightly our responsibilities as a good corporate citizen, not only towards society but also in the execution of fair business management. Significant changes are taking place in the environments that surround the YKK Group. Whether in Japan or abroad, it is our duty to respect diversity—of cultures, customs, and viewpoints—and play a role in the development of society through our

business operations.

The YKK Group is committed to helping build a more sustainable society through its main businesses. The YKK Group promotes initiatives aimed at realization of a sustainable society through its core businesses by implementation of the YKK Philosophy "Cycle of Goodness," and its Management Principle "YKK seeks corporate value of higher significance."

Message from Committee Chairman

The committee is composed of members from responsible divisions in each area in order to span company and division lines. It confirms that the YKK Group's activities meet the needs and demands of customers, communities, and society. We are now in our fourth year of activity, and the themes and issues of each area have become clear. Through our core business, we produce further improvements and solutions and advance to a phase of meeting the expectations of our stakeholders. We will continue to implement the YKK Group's philosophy of the "Cycle of Goodness" as the foundation of our business, and we believe that we must further bolster our actions, while also continuing to link these actions to the resolution of each area's issues through our core businesses and to the provision of new value to society.

Satoshi Honda

Steering Committee Chairman
Vice President of Corporate Planning
YKK Corporation



Promotion Structure

The YKK Group supports the activities of responsible divisions in each region with a Group-wide perspective in the light of the seven core subjects of ISO 26000. We established a Steering Committee in April 2014 to be able to grasp Group-wide activities in more detail.

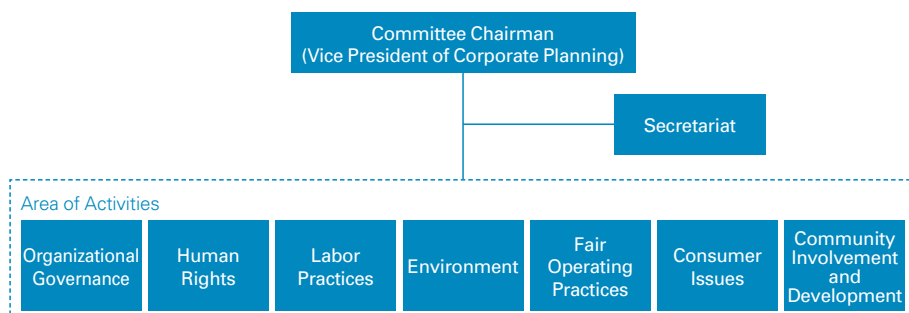
The Steering Committee convened three times during FY2017 (May, November, and March), and we also created opportunities to exchange opinions

based on international trends such as UN Sustainable Development Goal (SDGs).



Steering Committee for the SDGs workshop

▼ Structure of the Steering Committee



Activity Goals and Results

We established key themes and measures for each core subjects of ISO 26000, and are driving activities with goals set for each fiscal year. Below, we introduce notable activities for FY2017 together with future goals.

▼ Notable Activities in FY2017 and Goals for FY2018

 Details regarding activities are available at: <http://www.ykk.com/english/corporate/csr/index.html>

Core Subjects	Key Themes and Measures	Notable Activities in FY2017	Goals for FY2018
Organizational Governance	Establishment of management structure	<ul style="list-style-type: none"> Meeting of the Steering Committee (3 times/year) 	<ul style="list-style-type: none"> Meeting of the Steering Committee (3 times/year)
Human Rights	Company-wide promotion of the Human Right Policy	<ul style="list-style-type: none"> Conducted individual discussions with HR representatives from each region at global meeting of personnel management officers In response to abolition of Quarterly Reports, reconsidered reporting methods and decided on implementation 	<ul style="list-style-type: none"> Finalize reporting methods and routes Establish governance structure pertaining to human rights and labor practices (ongoing)
Labor Practices	Non-discriminatory provision of opportunities for nurturing talent	<ul style="list-style-type: none"> Conducted discussions with HR representatives from each region at global meeting of personnel management officers Confirmed that the status of education and training in each region was being checked, focusing on local employees 	<ul style="list-style-type: none"> Strengthen monitoring of human resource development / education and training Build a governance system on human rights and labor practices (ongoing)
	Fostering an accountable safety culture and eliminating major accidents	<ul style="list-style-type: none"> Performed self-checks of health and safety management conditions at each company (60 of 69 companies) Created capability requirements for overseas safety management personnel Created capability improvement program for overseas safety management personnel Created forklift safety management manual (Japanese, English, Chinese, and Spanish versions) Provided guidance regarding operation and improvement of safety management special instruction system (7 sites) 	<ul style="list-style-type: none"> Implement field-specific improvement measures based on results of self-checks Test capability improvement program for overseas safety management personnel, verify results, and begin full-fledged operation Deploy Group Safety and Health Standards (Mechanical Design) overseas Provide ongoing support through "Safety Management Special Instruction Designation" (quantitative evaluation)
Environment	Strengthening of environmental governance	<ul style="list-style-type: none"> Carried out evaluation studies of environmental management in all Group companies Built environmental impact data system for enhancing overseas compliance 	<ul style="list-style-type: none"> Improve level of environmental management of individual Group companies through use of Group environmental management review system Begin operation of environmental data system Formulate long-term environmental vision
	Sustainable procurement and adaptations to climate change	<ul style="list-style-type: none"> Carried out water risk management at production sites with a focus on climate change 	<ul style="list-style-type: none"> Consider production site water usage analysis and support measures
Fair Operating Practices	Promoting compliance	<ul style="list-style-type: none"> Implemented external audit for businesses in China and the Asia region (12 of 17 companies) Provided support for audit system in overseas businesses Reviewed and revised YKK Global Criteria of Compliance (YGCC) 	<ul style="list-style-type: none"> Formulate revised version of YKK Global Criteria of Compliance (YGCC) Implement external audits (11 companies)
	Reinforcement of socially responsible procurement	<p>Japan</p> <ul style="list-style-type: none"> Implemented supplier survey (feedback from 98 companies, audit of 4 companies) Implemented follow-up with trading partners who failed to achieve expected level (6 companies) <p>China</p> <ul style="list-style-type: none"> Collected basic principles of procurement <p>Asia</p> <ul style="list-style-type: none"> Implemented on-site investigation in YKK India (3 companies) 	<p>Japan</p> <ul style="list-style-type: none"> Continue to perform supplier survey (100 companies) and on-site investigations <p>China</p> <ul style="list-style-type: none"> Start supplier surveys and on-site investigations <p>Asia</p> <ul style="list-style-type: none"> Start collecting basic principles of procurement
Consumer Issues	Improvement of Traceability	<ul style="list-style-type: none"> Confirmed material inspection system based on purchasing lists (Confirmed records for 38 companies, and performed local confirmation at 10 main companies) (YKK) Created information management and customer information systems (YKK AP) Enhanced points of contact with consumers in coordination with government policy (2 times) (YKK AP) 	<ul style="list-style-type: none"> Perform on-site confirmation of material inspection system based on purchasing lists at main three companies (YKK) Strengthen information management system and customer information management (YKK AP) Enhance points of contact with consumers in coordination with government policy (ongoing) (YKK AP)
	Promotion of the elimination of harmful substances (YKK)	<ul style="list-style-type: none"> Finalized business division policies and schedules for switching materials 	<ul style="list-style-type: none"> Promote switch-over starting with priority materials, aiming for switch-over completion in FY2019
	Creation of a system to protect consumer rights (YKK AP)	<ul style="list-style-type: none"> Updated Guidebook for Use and Maintenance (22 cases) Expanded use of QR codes to supply information Continued to provide information via website (3 cases) 	<ul style="list-style-type: none"> Update Guidebook for Use and Maintenance (ongoing) Expand items for which information is offered via QR code Continue to provide information via website (accident prevention awareness-raising)
	Development and promotion of products that consider the entire life-cycle and the 3R's (YKK AP)	<ul style="list-style-type: none"> Received product award (1 award) Prepared product lifecycle assessment standards 	<ul style="list-style-type: none"> Receive product awards (1 or more awards) Receive product lifecycle assessment third party certification
	Enhancement of stakeholder dialogue	<ul style="list-style-type: none"> Implemented regional dialogue (1 time) Implemented expert dialogue (2 times) 	<ul style="list-style-type: none"> Implement dialogues with top management and stakeholders (1 time)
Community Involvement and Development	Reinforcement of external information disclosure regarding Corporate Social Responsibility	<ul style="list-style-type: none"> Distributed CSR/environmental releases (12 times) Held press conferences (2 times) 	<ul style="list-style-type: none"> Distribute CSR/environmental releases (8 times) Improve provision of CSR/environmental information via the website Post "CSR TOPICS (English)" (15 times)