

CSR Report **2018**  
Pioneer Group CSR Report

For further information, please contact

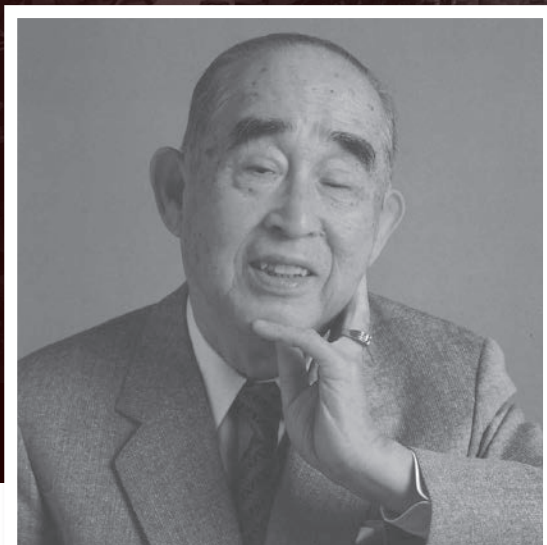
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# Since 1937



Founder  
Nozomu Matsumoto



## • Corporate Creed •

- We contribute to society by meeting and exceeding the expectations of our customers, shareholders, employees, and other stakeholders and by delivering long-term growth and profitability.
- We earn the trust and respect of people in society by providing high-quality, affordable products and services in a timely manner.
- We take pioneering approaches to developing new products and services, innovating the way we do business, and taking on the challenge of achieving individual and common business goals.
- We find the right balance in everything we do, including between planning ahead and maintaining flexibility, and between acting with mind and acting with heart.
- We trust, respect, and work with each other in pursuing the success and best interest of the company.

## • Group Philosophy •

# Move the Heart and Touch the Soul

Everyone desires a heart-moving experience unlike anything they have ever encountered before.

“Share our passion with as many people as possible by bringing our products and services.”

The Pioneer’s philosophy, “Move the Heart and Touch the Soul,” expresses this aspiration.

Hand in hand with all our stakeholders, including customers, employees, business partners,

NGOs, and local communities, we aim to create a better society.

This CSR report is designed to serve as a platform for further dialogue with stakeholders.

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# 80 Years of Pioneer History

Pioneer founder Nozumu Matsumoto was impressed by the sound of speakers manufactured overseas.

His aspiration to create remarkable sound with Japanese technology was the start of Pioneer.

Through a repeated trial-and-error, he perfected the first made-in-Japan dynamic speaker.

Pioneer's 80-year history, which is based on the pioneer spirit expressed by the company's name, has been a journey of inspiring the world with unprecedented products and services.



**The beginning of Pioneer's legacy**

Nozomu Matsumoto uses his ingenuity to design and develop the A-8 dynamic speaker in 1937. Fukuin Shokai Denki Seisakusho (precursor of Pioneer) is established in Tokyo the following year.



**Laying the foundation to become a full-line audio company**

Fukuin Denki changes its trade name to Pioneer Electronic Corporation and becomes listed on the Tokyo Stock Exchange in 1961. Releases the world's first separate stereo system with detached speakers the following year.



**Growing into a global audio brand**

Pioneer expands its sales network globally. Becomes the first in the world to introduce component car stereos and establishes its name in the audio industry.



**Growing into an audio/video company**

Pioneer brings out LaserDisc optical video discs and players, which offer new forms of audio/video entertainment for home and for commercial applications such as LD karaoke.



**Leading the way through innovation**

Pioneer leads the way in the global audio/video market with the introduction of the world's first GPS car navigation systems, DVD recorders, and high-definition plasma displays,HDD car navigation systems, DJ CD players, and 1080p plasma displays.



**Evolving into a new Pioneer**

Pioneer chooses to focus its resources on the car electronics business, stepping up its efforts to develop technologies to become a key provider of solutions for connected cars and autonomous driving.

Early Year

Years of Early Growth

Years of Global Expansion

Years of Accelerated Growth

Years of Technology Leadership

Years of Transformation

1937 to 1949

1950 to 1967

1968 to 1979

1980 to 1989

1990 to 2007

2008 to 2017



Corporate Outline

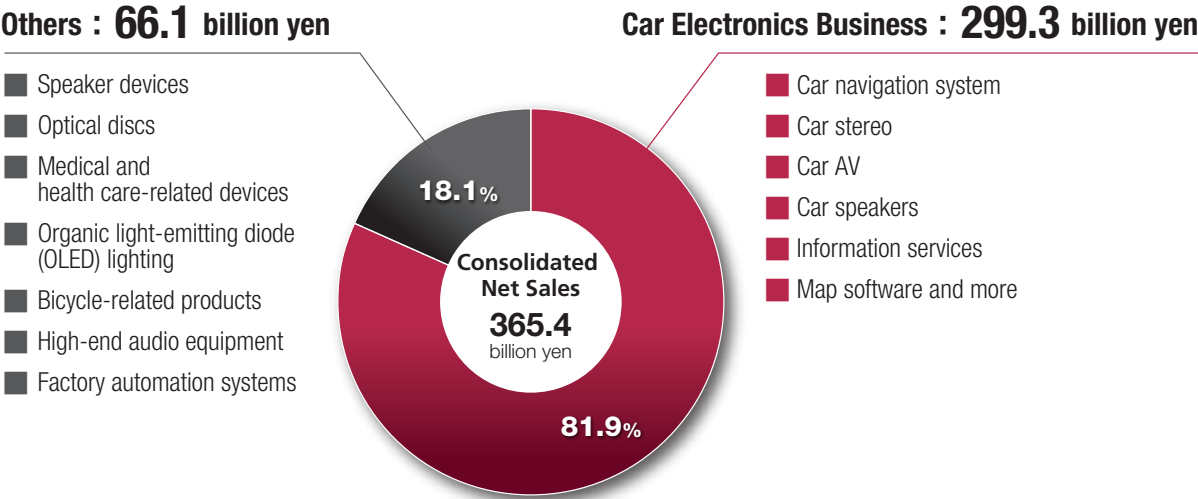
Corporate Outline (Fiscal 2018, Ended March 31, 2018)

Originated	January 1, 1938 (as Fukuin Shokai Denki Seisakusho)
Capital	92,881 million yen (Fiscal 2018, Ended March 31, 2018)
Headquarters	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo 113-0021, Japan
Consolidated Net Sales	365.4 billion yen
Number of employees	16,798 (Fiscal 2018, Ended March 31, 2018)

Business Profile (Fiscal 2018)

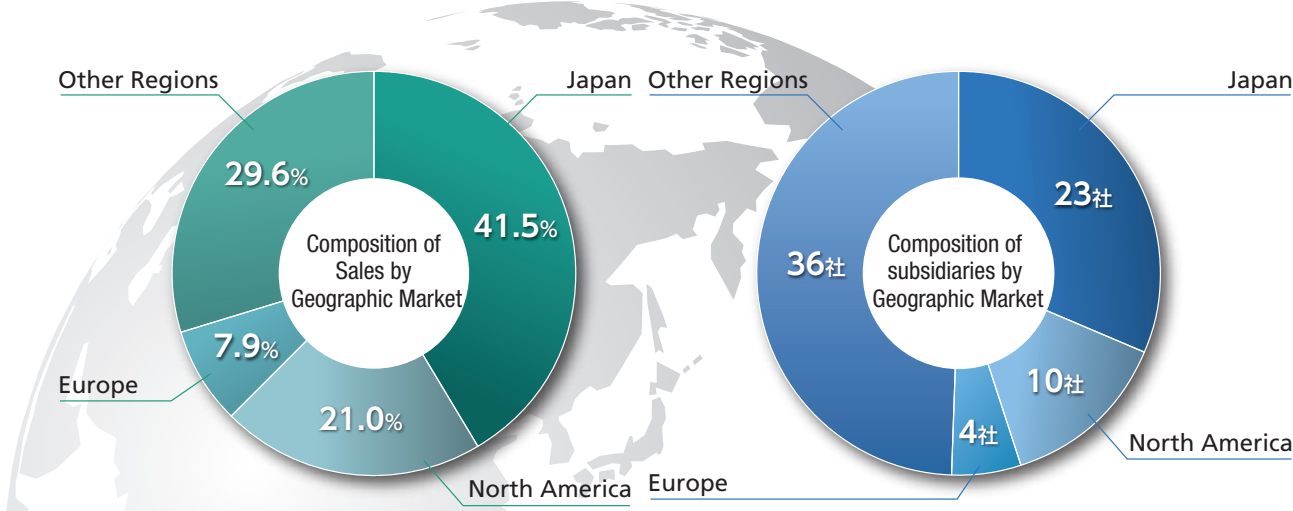
Consolidated Net Sales	365.4 billion yen	Consolidated Operating Income	1.2 billion yen
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Composition of net sales



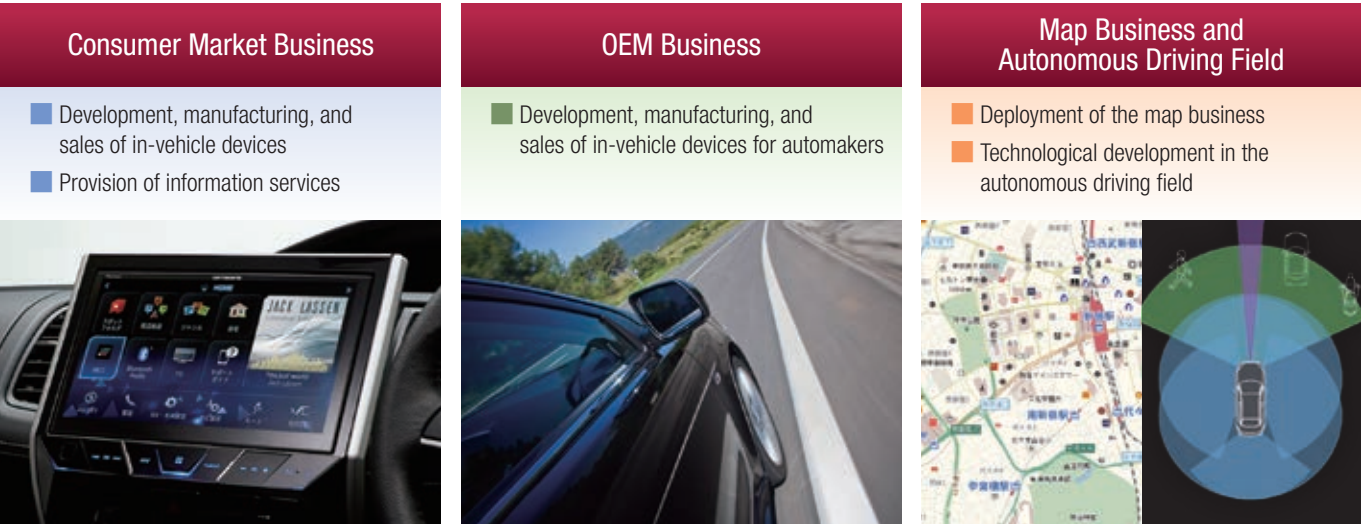
Global Expansion of Pioneer Products and Services

As befits a global enterprise, Pioneer offers products and services attuned to regional needs by collaborating with service locations around the world.



Car Electronics Business

Deploying cutting-edge technologies that have brought forth world's first and industry-leading products, Pioneer proposes new value in the consumer market and in OEM business. Pioneer is also engaged in various initiatives in anticipation of the future society of autonomous driving.



Others

Leveraging strengths in optical, audio and imaging technologies, Pioneer's business development ranges far and wide, from speaker devices, optical discs, medical and health care-related devices, and organic light-emitting diode (OLED) lighting to bicycle-related products, and high-end audio equipment.



Message from the President



The Pioneer's philosophy, "Move the Heart and Touch the Soul," expresses our aspiration to get connected and share our "passion" with as many people as possible, transcending barriers such as of gender, age, race, nationality, and disabilities by employing sound, vision, and information provided by our products and services.

Enterprises are urged to create new value with a view to attaining the Sustainable Development Goals (SDGs) for 2030 adopted by the United Nations and realizing a "human-centered society," advocated by the Japanese government, in which the cyberspace (virtual space) and the physical space (real space) are highly integrated.

Various industries are now working to respond to such change in the social environment, with an eye to the future mobility society. Pioneer aims to provide more comfortable, safe, and secure mobility for everyone and achieve business growth and expansion. To accomplish this goal, we will strengthen our competitiveness towards the upcoming autonomous driving society by utilizing sound and optical technologies, which have been Pioneer's strengths since its foundation, and knowhow in information services accumulated through car navigation systems.

I look forward to your continued understanding and strong support in the months and years to come.

December 2018

*K. Moriya*

**Koichi Moriya**  
President and CEO

Basic Approach to CSR

Putting the Corporate Creed into Practice

It is the Pioneer Group's corporate social responsibility (CSR) to contribute to the sustainable development of society by putting the Corporate into practice throughout its corporate activities.

In our corporate activities, we are committed to fulfilling our social responsibility in terms of seven themes: Group-wide organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

In our business activities, we aim to accomplish our goal of creating shared value (CSV) through the provision of products and services by contributing to achievement of the 17 Sustainable Development Goals (SDGs) defined by the United Nations with a view to resolving social issues.

**1. Pioneer Group Charter for Corporate Operations**

The Pioneer Group's structure ensures integrity in business execution through the systematization of rules, with its "Pioneer Group Charter for Corporate Operations" as the foremost component, in order to realize the Group Philosophy.

Pioneer Group Charter for Corporate Operations  
<https://global.pioneer/en/society/csr/code/charter.php>

Pioneer Group Code of Conduct

Decision criteria ensuring awareness of our social responsibilities and of our obligation to act in good faith in performing our duties  
<https://global.pioneer/en/society/csr/conduct/>

Rules of the Pioneer Group

A common rulebook applicable throughout the Group

**2. Utilization of ISO26000**

Utilizing the international standard ISO26000, we systematically promote CSR activities.

Please refer to Promotion of CSR Management (P.12-13) for details.

**3. Contribution to achieving the SDGs**

The 17 Sustainable Development Goals (SDGs) and 169 associated targets to be achieved by 2030 were adopted by the United Nations in September 2015.

Goal 1: End poverty

Goal 2: End hunger

Goal 3: Ensure healthy lives and promote well-being

Goal 4: Ensure inclusive and equitable quality education

Goal 5: Achieve gender equality

Goal 6: Ensure availability and sustainable management of water and sanitation

Goal 7: Ensure access to sustainable energy

Goal 8: Promote inclusive and sustainable economic growth and employment

Goal 9: Build resilient infrastructure and promote industrialization and innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and communities sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take action to combat climate change

Goal 14: Conserve and sustainably use the oceans, seas and marine resources

Goal 15: Protect terrestrial ecosystems, sustainably manage forests, and halt biodiversity loss

Goal 16: Promote peaceful and inclusive societies

Goal 17: Strengthen the means of implementation and revitalize the global partnership

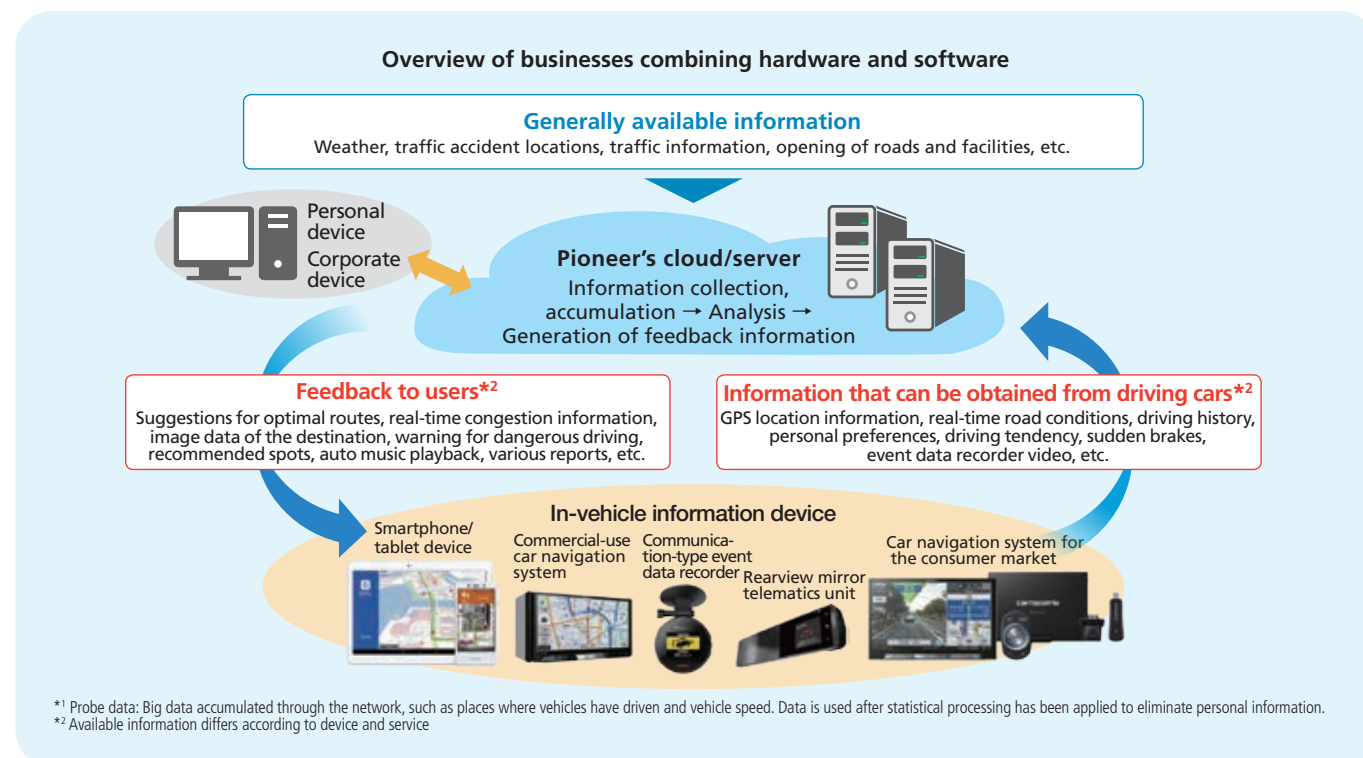
\*For the 17 goals, we referred to the United Nations Sustainable Development Goals website and simplified the wording.



# Offering New Value through Business

## Present Contributing to Safety, Reliability, and Comfort in the Automotive Society

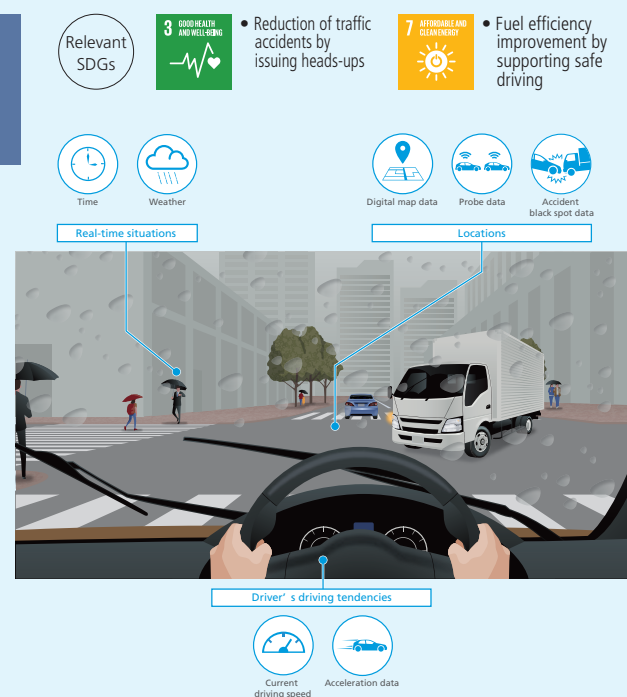
At Pioneer, we will provide telematics service business, in both hardware and software, as well as solution business including operation service for fleet vehicles, by leveraging the probe data\*<sup>1</sup> accumulated in the course of many years as a leader in car navigation systems, leading-edge cloud technologies, development technologies for in-vehicle communication devices, and our strengths in map data.



## Intelligent Pilot advanced driving assist system To protect drivers and other people from the risk of accidents

Since types and risks of accidents vary depending on the weather, time, location, and individuals' driving tendencies, events that require attention differ according to the situation.

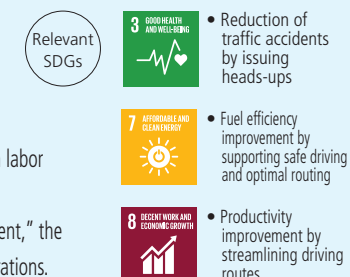
The *Intelligent Pilot* advanced driving assist system predicts accident risks of each driver based on Pioneer's unique "accident risk prediction platform" using digital map data and issues heads-ups and warnings to drivers via communication devices, such as an event data recorder.



## Vehicle Assist Cloud-based operation management service for fleet vehicles

A number of risks exist when vehicles are used in business operations, such as the problem of long working hours resulting from labor shortages, driver training issues, and traffic accidents.

With various functions contributing to "reducing accidents," "streamlining driving routes," and "facilitating task management," the *Vehicle Assist* cloud-based operation management service supports the resolution of various issues related to fleet business operations.



## Vehicle Assist



## Contributing to people and society through support for fleet business operations

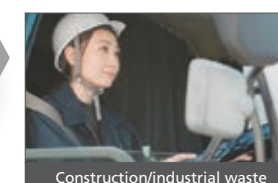
- Heads-ups for dangerous driving
- e-mail notification of dangerous behavior
- Monthly aggregate report



- Call plan optimization
- Navigation of the optimal route
- Task progress management



- Automatic aggregation of daily reports
- Grasping of task history
- History of operation results



## Present Contributing to Realization of an Autonomous Driving Society

Pioneer will advance development of "3D-LiDAR sensors," "maps for autonomous driving," and their combinations, "data ecosystem" that is an efficient map updating system, by integrating optical technologies and car navigation technologies Pioneer has cultivated to date and mapping technologies of its map creation subsidiary, Increment P Corporation (IPC), thereby contributing to the realization of an autonomous driving society.

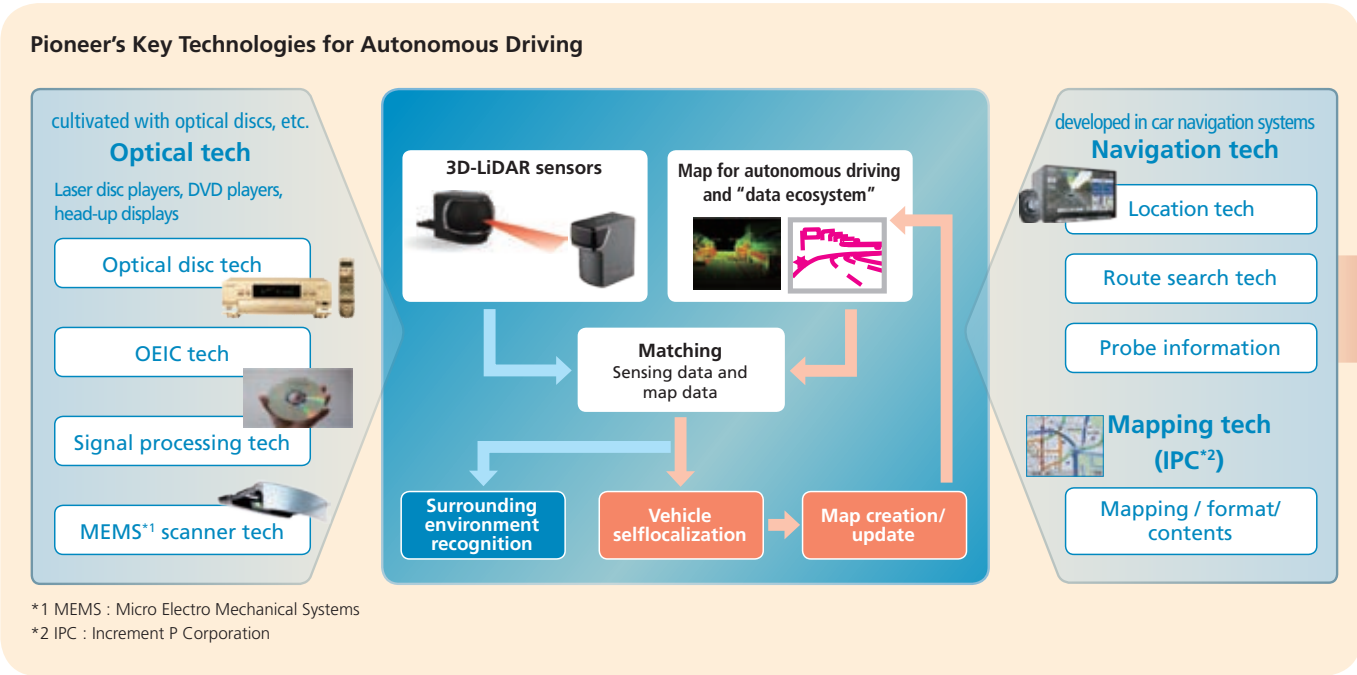


Please refer to Contributing to Realization of an Autonomous Driving Society (P.10-11) for details.

# Offering New Value through Business

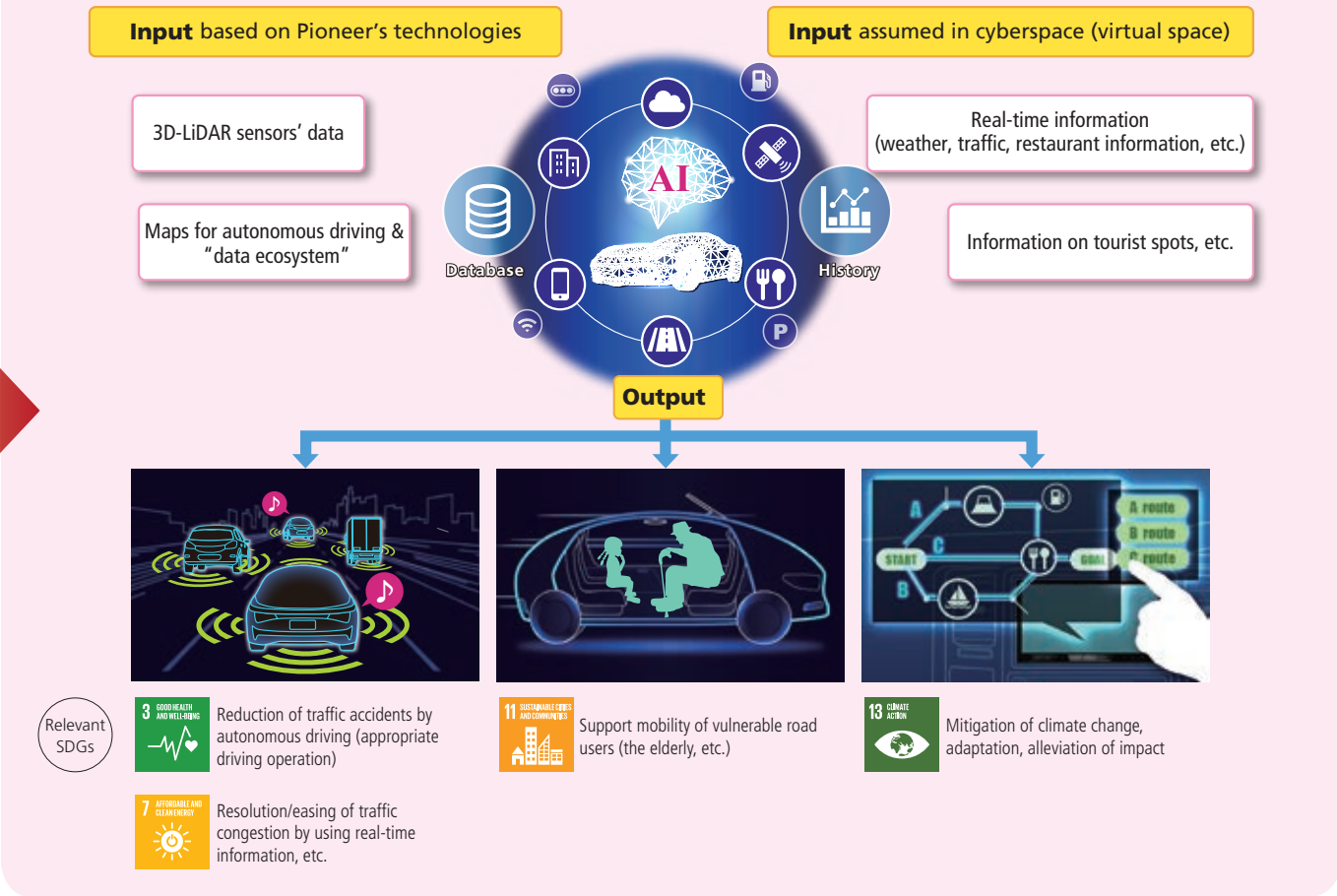
## Future Contributing to Realization of an Autonomous Driving Society

Pioneer is developing key technologies that will enable everyone to drive into the future of autonomous driving and experience vehicle-based mobility with enhanced comfort, excitement, reliability, and safety.



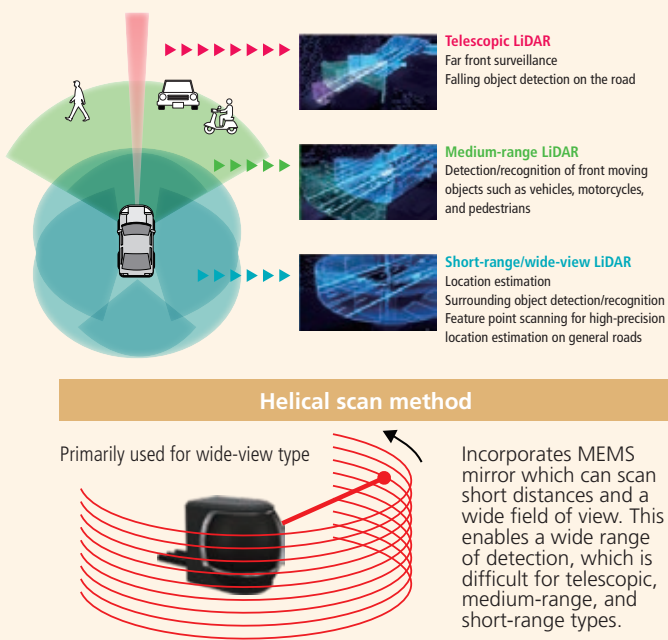
Autonomous Driving webpage  
<http://autonomoustriving.pioneer/en/>

Pioneer will contribute to resolution of social issues related to mobility, such as traffic accidents, congestion, and the inconvenience of mobility experienced by vulnerable road users (the elderly, etc.).



## Development of 3D-LiDAR sensors that act as "eyes" in autonomous driving

3D-LiDAR sensors use laser beams to measure precise distances to target objects and capture distant or surrounding conditions in real time and in three dimensions. We have facilitated the development of four types of 3D-LiDAR sensors, namely the "telescopic LiDAR," "medium-range LiDAR," "short-range LiDAR," and "wide-view LiDAR," based on two scanning methods (raster scan and helical scan). With an enhanced line-up, we will propose optimal combinations meeting various customer needs.

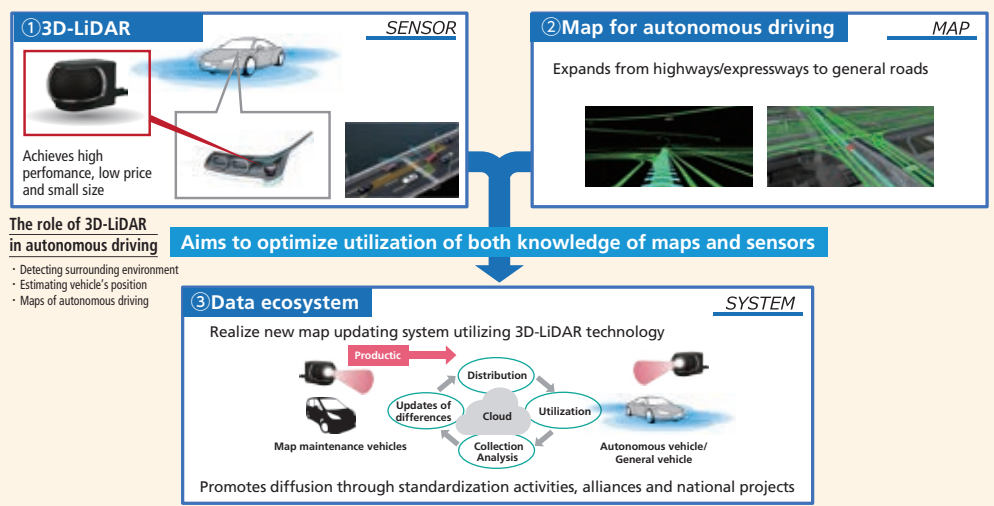


## Provision of maps for autonomous driving & "data ecosystem"

In recent years, information services utilizing communication have become familiar in line with the evolution of vehicles. In an era of autonomous driving, a far greater volume of fresher information will be necessary for vehicles to make judgments on their own and travel.

Pioneer is working to provide maps for autonomous driving that can be efficiently utilized by autonomous driving vehicles and to build a "data ecosystem" that, linked with 3D-LiDAR sensors, identifies differences between maps and updates and distributes maps.

Realization of this system will enable low-cost maintenance of up-to-date maps for autonomous driving by utilizing information from vehicles.





Promoting CSR Management

To become an enterprise that fulfills the trust and satisfaction of all stakeholders

Adhering to the ISO 26000 international standard, we endeavor to contribute to a better society through cooperation with all our stakeholders, including customers, employees, business partners, NGOs, and local communities, and are committed to fulfilling our social responsibility for the seven core subjects of ISO 26000.



<p>To Win Customers' Satisfaction and Trust ISO26000: Consumer issues</p>  <p>➡ P14-17</p> <p>We are promoting quality improvement and manufacturing from users' perspectives to win customers' satisfaction and trust.</p>	<p>To Realize an Affluent and Safe Global Environment ISO26000: The environment</p>  <p>➡ P18-19</p> <p>We are making efforts to always contribute to maintaining and realizing the rich and safe global environment through our corporate activities, based on the general understanding that it is one of our corporate missions to maintain, improve, and hand over the global environment to the next generation.</p>	<p>Engaging in the Development of Communities</p>  <p>➡ P20-23</p> <p>Actively Contributing to Society with Focus on Audio &amp; Video, Environmental Protection, and Educational Support Activities.</p> <p>We are also working to prevent or mitigate disasters in the medical and health care field and to protect cultural assets by deploying our technologies.</p>	<p>To Work Energetically with Mutual Respect for Each Other ISO26000: Labor practices / human rights</p>  <p>➡ P24-27</p> <p>We are cultivating an environment that enables creation of new value such as by encouraging all our employees to achieve greater job satisfaction and bring their capabilities into full play, so that we can transform their dynamism into the Group's competitiveness.</p>	<p>Corporate Governance and Fair Business Practices</p>  <p>➡ P28-31</p> <p>Emphasizing a sincere relationship with its stakeholders in realizing sustainable corporate development, the Pioneer Group is striving to enhance corporate governance and promoting fair business practices.</p>	<p>Communication with Society</p>  <p>➡ P32</p> <p>We are communicating with various stakeholders.</p>
<p>Related SDGs</p> <div></div> <div><p>10 Human-centered design from users' perspectives</p><p>12 Waste reduction by offering repair services</p></div>	<div></div> <div><p>12 Resource saving and resource recycling; management of chemical substances</p><p>13 Prevention of global warming</p></div>	<div></div> <div><p>3 Development of high-quality electronic stethoscopes for medical use</p><p>4 Contribution to culture and diversity by holding Listen through the Body concerts</p><p>11 Protection of cultural assets by using terahertz imaging scanners</p><p>15 Forest conservation activities</p><p>17 Collaboration with various stakeholders (national government, universities, communities, etc.)</p></div>	<div></div> <div><p>5 Promotion of women's participation and advancement</p><p>8 Promotion of employment of people with disabilities</p></div>	<div></div> <div><p>12 Supply chain management</p><p>16 Organizational governance (corporate governance); fair business practices</p></div>	



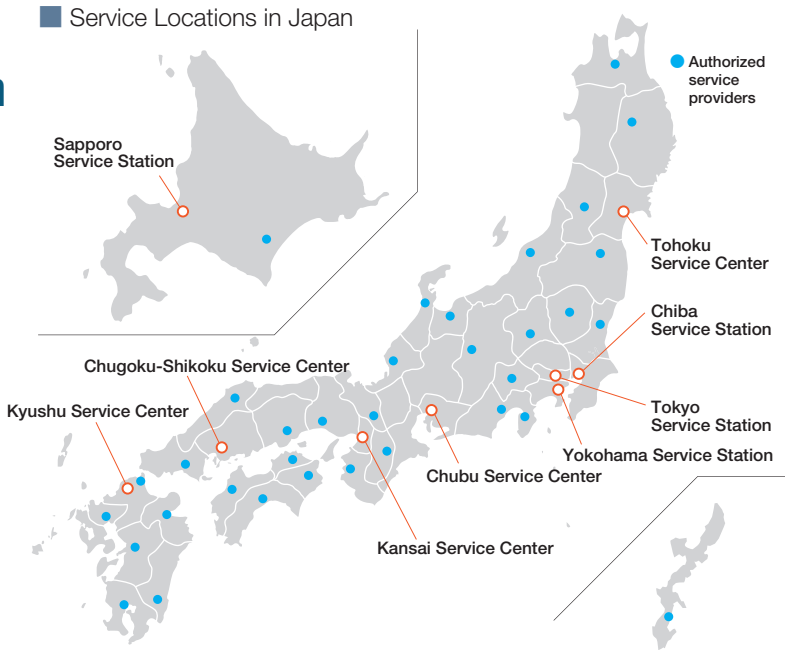
To Win Customers' Satisfaction and Trust

Offering Products and Services that Generate Satisfaction and Confidence

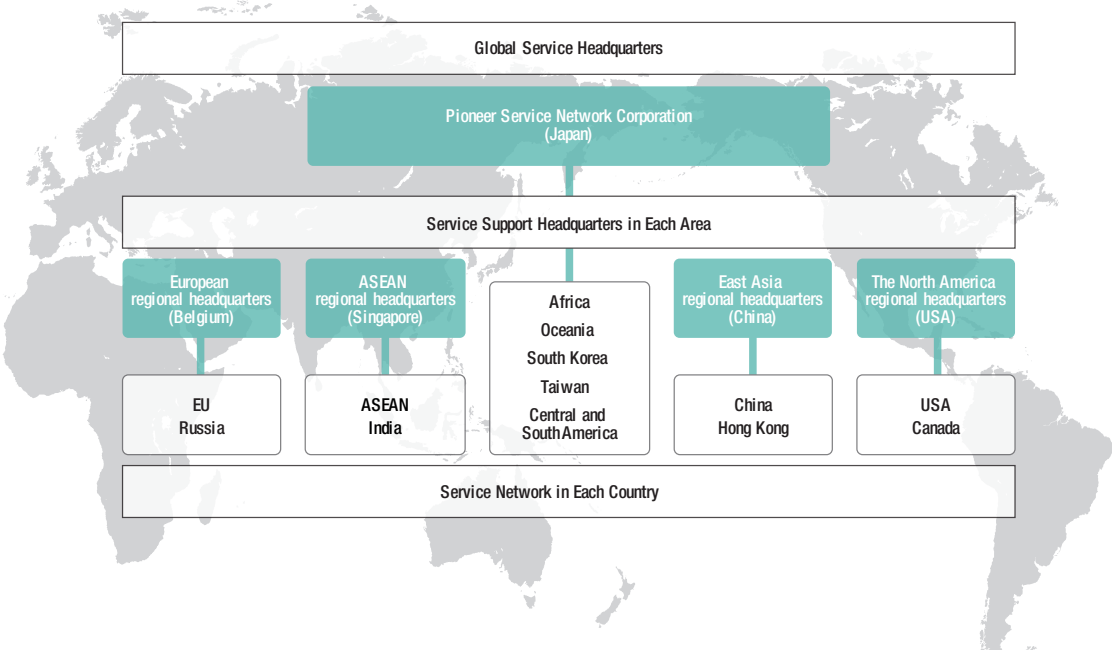
The Pioneer Group's Quality Assurance Philosophy is "Offering customers products and services that generate satisfaction and confidence."

Listening to the voice of the customer to deliver satisfaction and confidence to even more customers, the Quality Assurance Division and customer support & service divisions collaborate to achieve improvements.

Meeting expectations of customers worldwide



Global Service Organization



Improvement Driven by the Voice of the Customer

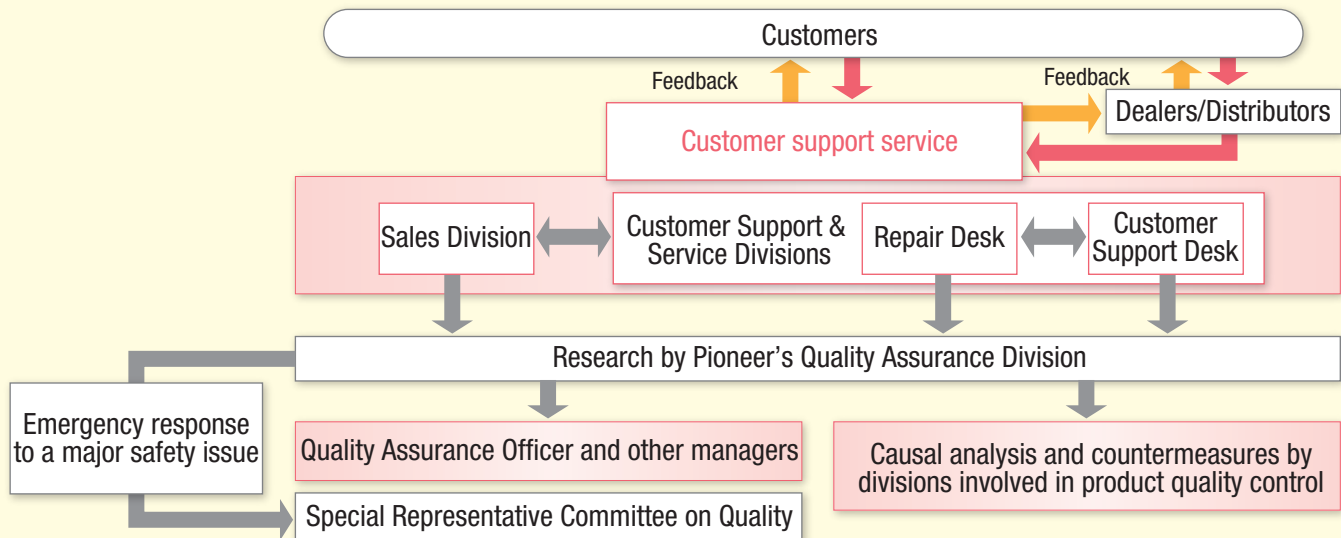
**Quality Assurance Division**

- ◆ **Quality improvement**
  - Actively gather and analyze information on product quality and safety from customers and dealers/distributors to achieve continuous quality improvement.
  - Execute integrated management of information related to safety and swiftly reports such information to management as well as provide appropriate information to customers and dealers/distributors.
  - Collect information on laws and regulations, international/industrial standards from countries and regions where products are to be sold. Such information is deployed and reflected in product development.

**Customer Support & After-Sales Service Division**

- ◆ **Daily activities**
  - Collect and analyze daily inquiries from end users/dealers/distributors, in order to feed back market issues to Quality Assurance Division and Product Planning Division. Such information is used for product improvement.
- ◆ **Periodic information exchange**
  - Distribute a monthly report, "The Voice of Customers" to board members, heads of related divisions and all staff involved, to share actual inquiries and complaints received from customers.
  - Information is shared in periodical meetings with Product Planning Division.

Outline of Information Flow from Customers Concerning Product Safety



Wholehearted Support & Service

Receiving Calls from the Customers' Viewpoint

At the Customer Support Center in Japan, actual products are placed beside call center staff so they can understand customers' questions first hand by operating the products in question. The Customer Support Center also offers product information and value-added proposals to enhance customer satisfaction.



Response rate: 92.7% (2018)

Initiatives for Faster Repairs

Pioneer handles approximately 116,000 repairs annually in Japan. Customers highly regard our initiatives for faster repairs. The Pioneer Group is strengthening and expanding its car OEM product service network and systems worldwide and the service network and systems that target emerging markets.



Results of the Independent Customer Satisfaction Survey in Japan (2018)

Overall satisfaction following repairs as reported by the survey	90.0%	Customer satisfaction with the Customer Support Center	98.6%
Satisfaction with the Repair Desk	98.4%	Customer satisfaction with the Parts Ordering Center	82.5%

•The above data are results of the customer satisfaction survey conducted by Pioneer.  
• "Overall satisfaction following repairs as reported by the survey" and "Customer satisfaction with the Parts Ordering Center" are the percentages of respondents who selected "Good" or "Fairly good" from four options ("Good," "Fairly good," "Not so good," "Poor") for several questions in the postcard/online questionnaire and the questionnaire sheet enclosed with parts, respectively.  
• "Customer satisfaction with the Customer Support Center" and "Satisfaction with the Repair Desk" are the percentages of respondents who selected "Very satisfied" or "Fairly satisfied" from four options ("Very satisfied," "Fairly satisfied," "Somewhat dissatisfied," and "Dissatisfied") in the survey by automated voice response after completion of response by call center staff.

Customer Support webpage

[https://global.pioneer/en/product\\_support/support/](https://global.pioneer/en/product_support/support/)



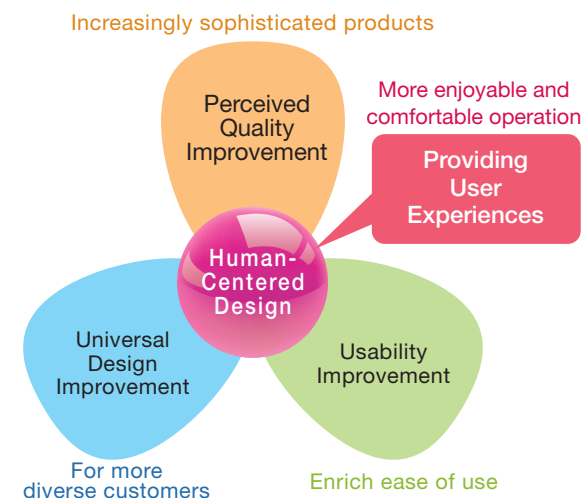
# To Win Customers' Satisfaction and Trust



## Further Enhancing Quality and Promoting Product Development from the User's Perspective to Achieve Customer Satisfaction and Confidence

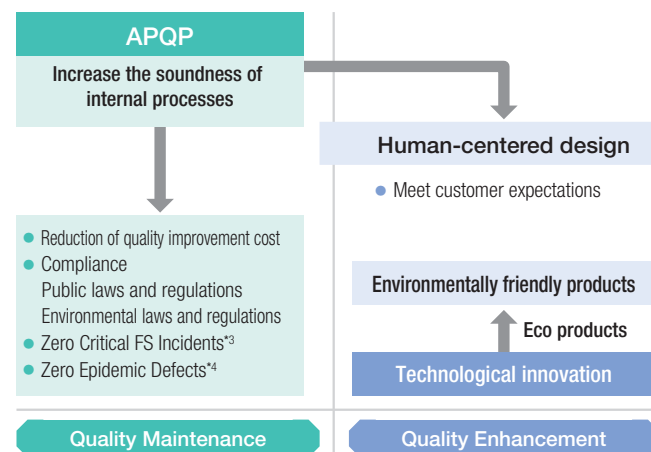
From the initial (upstream) stage of product development, the Pioneer Group is engaged in Advanced Product Quality Planning (APQP), a crossorganizational approach to find and resolve issues quickly, in order to achieve quality targets.

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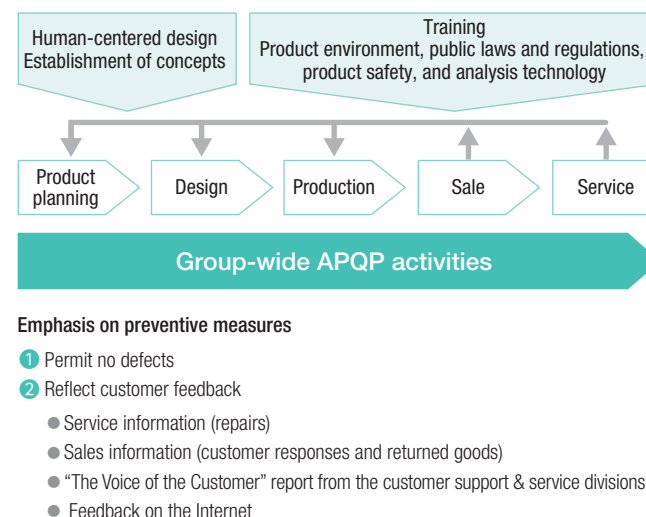
### APQP Activities at Pioneer

#### Approach to Quality Assurance Activities



\*1 Critical FS incidents: Fires and serious injury / illness accidents due to product factors  
\*2 Epidemic defects: Market defects of products that occur frequently due to specific factors

#### Establishment of a Process Framework Required for High-quality Product Development



### The Four Key Points of APQP

- 1 Predict and prevent problems rather than responding after the fact
- 2 Team activities
- 3 Information on current circumstances is constantly shared
- 4 Effective communication

## Continuous Improvement Activities Based on Quality Management Systems

Having established quality management systems based on the ISO9001 and IATF16949 international standards on quality management, we are working to achieve continuous improvement using the Plan Do Check Action (PDCA) closed loop.

We have also obtained ISO13485 certification in view of our entry to the medical and health care-related business

### Major quality-assurance international accreditations held:

- ISO9001 Quality management system
- IATF16949 Quality management system for automotive
- ISO13485 Quality management system for medical devices

## Excellent User Experience through Promotion of Human-Centered Design

### Three key initiatives that enable customers to enjoy and be pleased to use our products

#### Initiative to heighten perceived quality

We define perceived quality as product quality perceptible by the senses of vision, touch, and hearing. Our aim is to enhance quality in terms of texture and precision (vision), hand feeling and operability (touch), and operating noise, etc. (hearing).



Captivating illumination



Eye-catching car navigation system

#### Approach to Universal Design

The Pioneer Group understands the requirements of each customer, and we are aiming to make a product in which the feelings of our customers are "fun", "pleasant" and receive a "good impression". To share this emotion with even more customers, we are also striving to look beyond factors such as age, sex, nationality, and the physically challenged. Thus, we strive to make products which can be used comfortably by various kinds of customers.



Digital map with ease of viewing even for users with cataracts



Advanced research on designs that alert passengers of danger

#### Approach to Usability

The Pioneer Group regularly examines user tests to evaluate the adequateness of our products in our customer's daily use. First, we look for problems, then analyze causes, and finally, we take countermeasures. We identify factors that impact usability in diverse operating environments and work to resolve issues.



User tests of various elements displayed on a map



Implementation tests in Japan and overseas

### INTERVIEW

## Proposing new products from customers' perspectives

I am promoting human-centered design and user experience design at the Design Division.

For human-centered design, we consider not only the scenes in which customers use the product, but also their lifestyles, cultures, customs, values, and so on from a broad perspective. This ongoing effort to understand the users helps us envisage the user experience we want to offer and the ideal configuration of the product or the service. I am keen to grasp the voice of the customer as

accurately as possible through market surveys and interviews so I can identify the needs implicit in what they say and how they behave.

By always endeavoring to adopt the perspectives of customers around the world, I will always do my utmost to propose products and services that more customers will find enjoyable and convenient to use.



Tomoko Ohta  
Human Centered Design Section,  
Design Division



# To Realize an Affluent and Safe Global Environment



The Pioneer Group will make efforts to always contribute to maintaining and realizing the rich and safe global environment through our corporate activities, based on the general understanding that it is one of our corporate missions to maintain, improve, and hand over the global environment to the next generation.

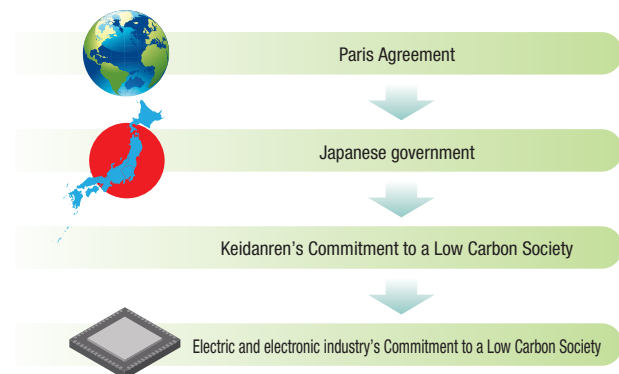
The Pioneer Group is committed to pressing forward with preventing environmental pollution, conserving resources and saving energy and believes it is Pioneer's mission to provide a high standard of living and deliver inspiration based on a new sense of ecology.

In addition, Pioneer is actively supporting and cooperating with efforts to protect the natural environment, maintain the earth's environment, and pass it on to the next generation.



## Initiatives concerning the Paris Agreement

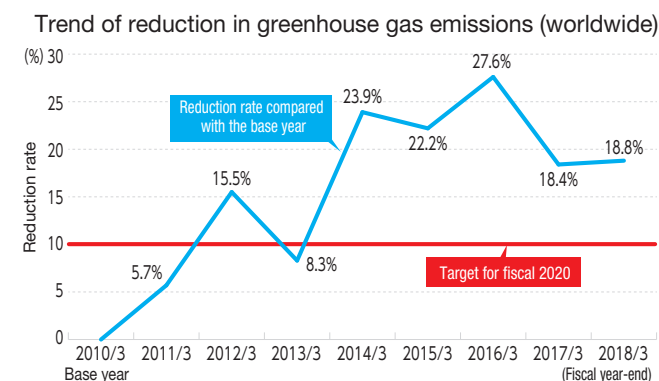
Having established common voluntary targets in accordance with the Commitment to a Low Carbon Society advocated by the Keidanren based on the Paris Agreement, the electric and electronics industry in Japan is implementing global warming countermeasures throughout the industry and Pioneer's operations in Japan are participating in this initiative. Using per-unit values\*1 as evaluation indicators with 2012 as the base year, we are promoting activities to achieve targets by 2020.



\*1 Per-unit values: Values obtained by dividing energy required for production and greenhouse gas emissions by the sales amount or other indicators

## Pioneer Group's Target

The Pioneer Group established an internal target for greenhouse gas emissions from its business sites. The target is a 10% reduction in the basic unit per sales by fiscal 2020 (the fiscal year ending March 31, 2020), with fiscal 2010 as the base year.



Environmental Activities webpage

<https://global.pioneer/en/society/environment/>

"Pioneer Group Environmental Data" (on Environmental Activities) webpage

<https://global.pioneer/en/society/environment/data/>

## External Awards

### 3R Promotion Council Chairman's Award

Towada Pioneer Corporation won the Fiscal 2017 3R Promotion Council Chairman's Award from the 3R Promotion Council for its contribution in promoting 3R (reduce, reuse, recycle). This is the second occasion on which Towada Pioneer has been honored with this award.



### Japan Association for Safety of Hazardous Materials President's Award

Tohoku Pioneer Corporation won the President's Award from the Japan Association for Safety of Hazardous Materials for its safety management of hazardous materials and disaster prevention activities.



### Kanto Area Electricity Use Rationalization Committee Grand Prix

Pioneer Micro Technology Corporation won the Grand Prix from the Kanto Area Electricity Use Rationalization Committee for its efforts to rationalize electricity use.



### Sainokuni Saitama Environmental Awards Encouragement Award

Kawagoe Plant of Pioneer Corporation received the Encouragement Award of Fiscal 2017 Sainokuni Saitama Environmental Awards from Saitama Prefecture for its environmental protection activities.



## Internal Awards

### Internal Award System

With the objective of encouraging further environmental initiatives, the Pioneer Group has been internally awarding business sites, groups, or individuals around the world that have contributed to environmental protection activities with the Pioneer Environmental Contribution Award and has been awarding patents that are considered to contribute to environmental protection with the Environmental Patent Award.

#### Awards in Fiscal 2017



Award for Particular Excellence (in Japan)  
Towada Pioneer Corporation



Award for Good Activity (overseas)  
Left) Pioneer Automotive Technologies, Inc. (USA)  
Right) Pioneer Manufacturing (Thailand) Co., Ltd. (Thailand)



## INTERVIEW

## Changes that have come into view through environmental activities

I have been involved in environmental operations for about 10 years. At first, we were wondering how best to communicate the importance of environmental protection activities and raise awareness.

At Towada Pioneer, 5S\*2 and VM\*3 have long been entrenched and a diligent approach to work is part of our DNA. So, we came up with the concept of promoting environmental activities by utilizing 5S and VM tools under our "Be cheerful and achieve results" slogan. As

\*2. 5S: Slogan for maintaining and improving the workplace environment 5S stands for "Seiri (sorting)," "Seiton (orderly)," "Seisou (cleaning)," "Seiketsu (cleanliness)" and "Shitsuke (discipline)."

\*3. Visual management (VM): Creating a mechanism for visual management at manufacturing workplaces and offices

a result, we saw a significant change in environmental awareness and our environmental activities have met with positive responses far and wide.

We are now in an era in which a company's posture with respect to environmental protection has an impact on its evaluation. Motivated by our vision, "Inspire others nationwide with our activities," we will endeavor to continue excelling on the environmental front.



Kenji Hatayama  
Business Planning Section,  
Business Development  
Department,  
Towada Pioneer Corporation



# Engaging in the Development of Communities



## Actively Contributing to Society with Focus on Audio & Video, Environmental Protection, and Educational Support Activities

The Pioneer Group makes use of our technologies, experiences and knowhow to contribute to society with a particular focus on audio & video, environmental protection and educational support activities. We are also actively supporting welfare activities, disaster relief (in the form of matching gifts) and many other enterprises that take into account the support requested by communities. The Pioneer Group will continue to engage in corporate citizenship activities, in which each and every employee enthusiastically participates, so that we may continue to have a prosperous society based on our Group Philosophy of "Move the Heart and Touch the Soul."

### Audio & Video



#### "Listen through the Body" Concerts

The concerts, which have been held regularly since 1992, are one example of Pioneer's societal contribution and volunteer activities.

Using Bodysonic, a system invented by Pioneer founder Nozomu Matsumoto to transmit sound as vibrations to the body, people with hearing difficulties can also enjoy the pleasures of music.



#### GOOD DESIGN BEST 100

"Listen through the Body" concerts were selected as a 2018 GOOD DESIGN BEST 100 by the Japan Institute of Design Promotion.

The concerts were highly regarded in two respects: "design of experience," that is, development of a method enabling people with hearing difficulties to enjoy the music through their bodies and "design of social contribution," that is, holding concerts for a long time.



### Environmental Protection



#### Forest Protection Activity

In 2005, Pioneer concluded an agreement with the Saitama Prefectural Forestry Public Corporation to take over regular management of 2.4 hectares of cypress forest near Kamakita Lake in Japan, which we have named the "Pioneer Forest." The "Pioneer Forest" has grown bright and leafy thanks to the work of Pioneer employees and their families volunteering regularly to prune and thin trees. Going forward, we will enhance activities utilizing the forest including workshops for children to experience nature.

### Educational Support



#### Hands-on Craft Workshop

Pioneer is active in providing activities for children and others to experience the fun of making things. Seven workshops were held in FY2017, which were attended by 117 people. At the Papercraft Speaker Workshop, children learned about the principles of sound and the structure of speakers, after which they attempted to make an actual speaker using paper. We at Pioneer would like to convey the excitement felt when a child hears sound come out of a speaker that he/she made himself/herself.

[Social Contribution webpage](https://global.pioneer/en/society/contribution/)

<https://global.pioneer/en/society/contribution/>



### Bodysonic Installed for All Concerts during Paul McCartney's Japan Tour

Pioneer provided Bodysonic equipment for Paul McCartney's ONE ON ONE JAPAN TOUR 2017 held from April 25, 2017 at the Nippon Budokan and the Tokyo Dome.

This was realized in response to a request from an organization for the hearing impaired, which was reflecting Paul McCartney's intension to also invite people with hearing difficulties to his concerts. The people invited to his concerts gave us very positive feedback. One of the participants said: "Thanks to Bodysonic, I was able to enjoy Paul's excellent performance to the full. His guitar performance was superbly communicated. My first experience of a live concert was amazing."

## Community Contributions Involving Use of Bodysonic Together with Other Companies



#### Toyota Motor Corporation

Toyota Motor Corporation whose Tokyo headquarters, like the Pioneer headquarters, is in Bunkyo-ku, held the 44th Toyota Lobby Concert in the lobby on the first floor of its Tokyo Head Office. Five units of Bodysonic were installed for the concert. An audience of some 400 music lovers, including users of a nearby facility for people with disabilities, enjoyed the performance.

## Environmental Protection Activities at Overseas Service Locations



#### Cleanup activities in Hong Kong

In October 2017, 23 employees of Pioneer (HK) Ltd., a subsidiary in Hong Kong, together with underprivileged children supported by charitable organization Tung Wah Group of Hospitals, conducted a cleanup of an area where pink dolphins, a rare species, live, under the guidance of Eco Association Limited, which is a Hong Kong-based organization dedicated to habitat conservation. They also learned about the steps taken to protect these dolphins. In addition, the company made a donation to Tung Wah Group of Hospitals.



#### INTERVIEW

### Putting a smile on faces in Hong Kong and Shenzhen

I joined Pioneer (HK) Ltd. (PHK) 14 years ago just as it was launching its first corporate citizenship activities, and I have been involved in the planning and operation of PHK's corporate citizenship activities ever since.

I think PHK's involvement in these activities every year offers a valuable opportunity to encourage people in Hong Kong and Shenzhen to think about the social contributions they can make and to deepen their understanding of Pioneer.

Through my involvement, I know in my heart that Pioneer is a company rooted in the community.

Encouraging as many people as possible to get involved, PHK will continue to engage in corporate citizenship activities that will be enjoyable and fulfilling for everyone who participates.



**William Wong Kei**  
Process Management Section,  
Pioneer (HK) Ltd.



# Engaging in the Development of Communities



## Contributing to Creation of a Better Society in Cooperation with the National Government, Regional Communities, Universities, and Various Other Stakeholders

The Pioneer Group is utilizing its technologies in diverse fields, such as disaster prevention and mitigation, medicine and health care, and protection of cultural assets, in cooperation with various stakeholders. Going forward, we will continue to contribute to creation of a better society.



## Provision of Data on Actual Vehicle Traffic that is Useful for Disaster Prevention and Mitigation

### Sharing big data on passable routes for use in recovery and reconstruction

Securing a way to move around by a vehicle is crucially important for expediting disaster recovery and reconstruction, beginning with evaluating the extent of the damage. Vehicles may become unable to run due to minor ground level difference, sediment, snow banks, or flooding, and be forced to turn back or detour. Also, straining the

vehicle's ability to gain headway could make it immobile and cause additional problems. We share data on passable routes collected from vehicles travelling in disaster-affected areas, so that goods and personnel are transported to the destination safely and swiftly as much as possible even in the event of a disaster.

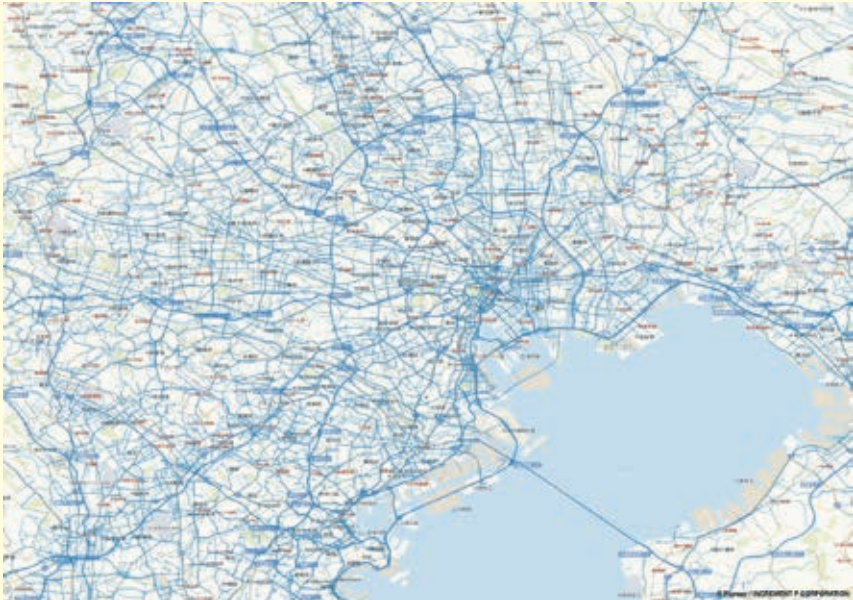
## Support for Disaster-Affected Areas and People

Pioneer provided probe data\*1 collected by Pioneer to "Car and Truck Travel Records," which is an online service offered by NPO ITS Japan\*2, that shows on a map routes that were actually passable in the event of large-scale disasters\*3.



### Disasters for which Pioneer provided probe data

- **March 2011-**  
Great East Japan Earthquake
- **April 14, 2016-**  
Kumamoto Earthquake
- **June 16, 2016-**  
Hokkaido Uchiura Bay Earthquake
- **October 21, 2016-**  
Central Tottori Earthquake
- **December 28, 2016-**  
Nothern Ibaraki Earthquake
- **June 18, 2018-**  
Northern Osaka Earthquake
- **July 8, 2018-**  
Torrential rains in western Japan
- **September 6 2018-**  
Hokkaido Eastern Iburi Earthquake



\*1 Probe data: Also referred to as probe traffic data, probe data are traffic information generated by using drive information such as locations and speed. A large amount of high-precision data can be collected in real time by using each vehicle as a sensor.  
\*2 NPO ITS Japan: A nonprofit organization promoting intelligent transport systems (ITS), which have the potential to create new industries and markets.  
\*3 Companies that provided probe data to ITS Japan:  
Honda Motor Co., Ltd., Pioneer Corporation, Toyota Motor Corporation, Nissan Motor Co., Ltd., Fujitsu Limited, Isuzu Motors Limited, Volvo Group (UD Trucks Corporation)



## Development of Stethoscopes for Medical Use with High-Quality Sound, Designed to Enhance Usability for Medical Doctors and Other Medical Professionals

Pioneer is promoting joint research with the Emergency and Critical Care Medicine Department of Hiroshima University Graduate School of Biomedical & Health Sciences on collection, analysis, and visualization of respiratory sound. Development of the U10 series of electronic stethoscopes is a part of the result of this joint research project. These stethoscopes were certified as controlled medical devices\*4 by a third-party certification body in October 2016. Utilizing our sound technology and sensor technology, we will continue R&D to meet various needs in the medical field, including for practical application of technology to assist auscultation.

\*4 Controlled medical devices: A category in classification of medical devices that is deemed to have relatively low risk of harming human health in the event of malfunction.

### Designed to Enhance Usability for Medical Doctors and Other Medical Professionals

Under the supervision of medical doctors, a form designed for usability, including the ease of gripping, operability, fitting of earphones, and robustness, and a white-based design suitable for medical devices, were adopted.

### Dedicated application for display, recording and playback of biometric sound data

Wireless transmission of captured biometric sound data to a terminal and use of a dedicated application enables display, recording and playback of data, meeting diverse needs in the medical field.



## Utilizing a Terahertz Imaging Scanner System for Measurement and Investigation of Cultural Assets for Their Conservation

### Characteristics of terahertz waves

Terahertz waves are electromagnetic waves with frequency in the proximity of 100 GHz to 10 THz that have the characteristics of both light and electronic waves. While terahertz waves can pass through cloth, paper, wood, and plastic, they cannot pass through metal or water. It is expected to be applied to fields such as nondestructive inspection and security.

### Compact and lightweight terahertz imaging scanner system

Pioneer's system, which consists of a compact lightweight main unit, a head, and a high-precision scanning mechanism, can measure artworks of various sizes and shapes. The use of this system enables non-destructive and non-contact image capturing of the cross-sectional structure of an artwork, which conventionally could only be obtained by taking a miniscule sample of an artwork and observing it with a microscope.

### Example of utilization of a terahertz imaging scanner system

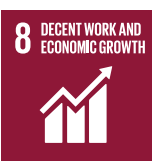
Pioneer's system was provided for scientific investigation of the Niguliste Museum's collection, including the Danse Macabre (Dance of Death) painted by Bernt Notke. The Niguliste Museum is in the Old Town of Tallinn, the capital of Estonia, which was registered as a UNESCO world heritage (cultural property) in 1997. This investigation was conducted as an international collaborative project of the National Institute of Information and Communications Technology (NICT) of Japan. As a result of this investigation, it became clear that the Danse Macabre consists of several layers of paint and the findings will be used to clarify the restoration methods applied in the 1960s and the restoration effect.  
Pioneer will contribute to the protection of cultural properties by continuing to participate in the measurement and investigation of precious cultural properties around the world.

R&D webpage

[https://global.pioneer/en/crdl\\_design/crdl/](https://global.pioneer/en/crdl_design/crdl/)

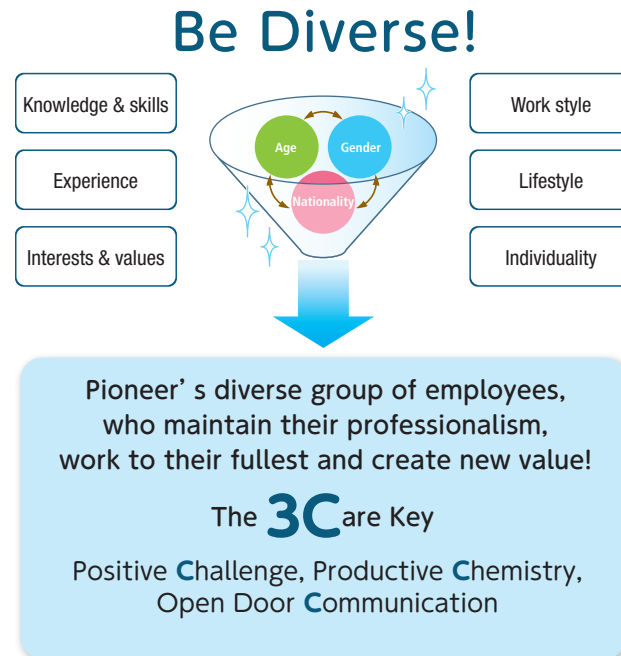


# To Work Energetically with Mutual Respect for Each Other



## Enabling Every Employee to Achieve Greater Job Satisfaction while Bringing Their Capabilities into Full Play for the Group's Superior Competitiveness

We are working to create an environment where a diverse group of employees, who maintain their professionalism, are able to work to their fullest and create new value, irrespective of their age, gender or nationality. In addition to systems and measures that offer employees greater flexibility in working styles and personnel development programs including career development support, we support our employees in various other ways, including through support for employees' mental and physical health, so that all our employees with their diverse backgrounds can achieve greater job satisfaction and bring their capabilities into full play. Through these initiatives, we will transform their dynamism into the Pioneer Group's competitiveness.



## Helping Employees Balance Work and Child/Nursing Care

Pioneer actively promotes initiatives to help employees balance work and child/nursing care.

Regarding balance with childcare, since 2007, the Company has been continuously certified with the Next Generation Certification "Kurumin" mark issued by Japan's Ministry of Health, Labour and Welfare. As for balance with nursing care, we hold nursing care seminars to prevent employees

from leaving their jobs to become a carer for a family member.

We also offer e-learning and conduct employee questionnaire surveys to facilitate understanding of the systems available and prevent harassment of employees who wish to use them. In this way, we are improving the environment conducive to achieving a balance between work and child/nursing care.

### Examples of support for balance between work and child/nursing care



Roundtable for employees returning to work after childcare leave



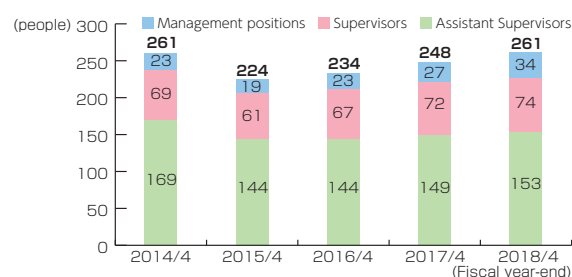
Nursing care seminar

## Promotion of Women's Participation and Advancement

Female staff in management positions accounted for 3.2% of all managers as of the end of April 2018. To achieve our target of 3.8% by the end of March 2021, we are implementing the following measures:

- 1) Nurturing awareness in female employees to pursue career development
- 2) Raising awareness of managerial staff concerning career development of female subordinates
- 3) Expansion of the scope of the telecommuting system

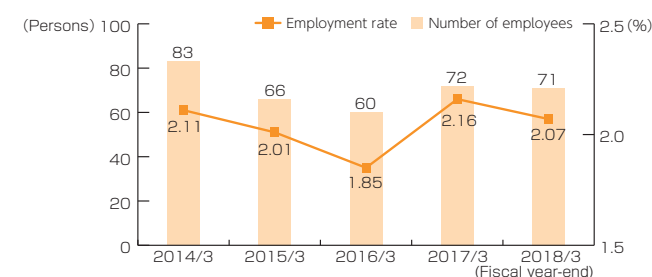
Number of female staff in management positions and other key positions (Pioneer employees including those seconded)



## Promoting the Employment of People with Disabilities

In order to fulfill its corporate social responsibility and to employ a diverse workforce, Pioneer is undertaking initiatives to employ people with disabilities. Going forward, Pioneer will not only take active steps in this direction but also work to expand the range of occupations available to them throughout the Group.

Number of Pioneer Employees with Disabilities



## Systems and Measures to Enable Flexible Working Styles

Offering flexible working styles and encouraging employees to take leave leads to employees' job satisfaction and display of their creativity.

At Pioneer, the rate of days of paid annual leave consumed is 70%. We value the work-life balance of our employees.

### Options for working styles and leave at Pioneer

- Flexible working hours system
- Paid leave, half-day leave
- Paid leave by hour
- Telecommuting
- Flex vacation (Paid leave for 5 successive working days)
- Shortened working hours system (childcare/nursing care)
- Refreshment leave (long-term paid leave at the age of 35, 45, and 55)

## Personnel Development

Pioneer offers a range of training programs designed to help diverse human resources flourish. The programs include not only those for learning necessary skills for work but also those for career development

and selfdevelopment to support employees' personal growth and attainment of professional goals.

### Personnel Development System

- Personnel Development Policy**
- Develop the abilities that each and every employee needs to flourish
  - Develop personnel who will take up challenges and decisively complete them to realize the Company's growth strategy
  - Develop managers who will increase corporate value and lead their organizations

Personnel Measures	Operations (OJT)	Education & Training (Off-JT)	Self-development
Diversity promotion	Management by objective (MBO) system	Basic stance(CSR & career development)	Correspondence education
Mentor system	Junior leadership program	Management(according to status and duties)	TOEIC and Chinese-language proficiency certifications
Assessment system & career development support	Trainee program	Development of global human resources	Acquisition of qualifications
Personnel evaluation & treatment	Improvement & proposal system	Skills & knowledge for operational execution	E-learning
Personnel appointments & rotations		Department training	

## Supporting Employees' Mental and Physical Health

Health management of employees is more than just a matter of health and safety. Pioneer regards the development of both the Company and its people as an important management issue and is implementing various measures with that in mind. Pioneer takes a preventive approach to mental health care, holding seminars for employees, distributing promotional materials to raise awareness of the issue, improving its Health Care Section, and building a counseling service system. In addition, the Company has developed a program for helping employees who have experienced mental health issues to return to the workplace.

### Pioneer's measures for health management

- Holding of mental health training sessions
- Program for employees returning to work after experiencing mental health issues
- Holding of various health seminars by industrial physicians
- Interviews and consulting with industrial physicians
- Encouraging employees to take paid leave



INTERVIEW

## Linking Diversity to Pioneer's Growth

The promotion of diversity will have a crucially important bearing on Pioneer's further growth. We are putting in place systems and career development programs to cultivate an environment where highly professional employees mutually take advantage of their individuality and values to create new value, regardless of age, gender, or nationality. As we enter the era of extreme longevity in which a 100-year life is no longer exceptional, it is becoming ever more important to design one's life. Such

a life will involve taking the initiative to work, take breaks, and learn, the accumulation of which will lead to better results. With an eye to the future, we will continue looking for ways of offering our employees effective support so they can fulfill their great potential. We aim to make Pioneer a vibrant enterprise where everyone can experience job satisfaction.



**Yukiko Sudo**  
General Manager,  
CSR & Diversity Development  
President Office



# To Work Energetically with Mutual Respect for Each Other

## Initiatives for Productivity Improvement and Work-life Balance

By offering a choice of flexible working styles, we help employees with various lifestyles enhance their motivation to work and improve work-life balance, and ultimately link such betterment to the enhancement of corporate productivity.

### Cultivating Workplaces Where People Help One Another: Childcare Leave

We cultivate workplaces where people willingly help one another when they need support with respect to child/nursing care and other circumstances.

#### Gratitude to my colleagues and family

Having heard that the more time one spends with one's children, the greater the positive impact will be on the subsequent parent-child relationship, I decided to take childcare leave\*1. In order to do so, I delegated part of my work to a junior colleague. The work proceeded smoothly in my absence and by the time I returned to work after the leave, the junior colleague was performing work independently without any problem.

I think it was a valuable experience for both of us.

During childcare leave I came to realize that taking good care of a child is no easy task. I will remember the experience and continue to be thankful to my wife who is taking care of our child every day as well as to my colleagues whose support made it possible for me to have this experience.

\*1 Number of days of childcare leave: About 4 weeks including 8 days of paid leave, 5 days of congratulation or condolence leave, and 5 days of special paid leave, which is an alternative to childcare leave



**Toru Kobayashi**  
Research Section 2, Research  
Department III,  
Research & Development Division

### Cultivating Workplaces Where People Help One Another: Telecommuting

The telecommuting system introduced in June 2017 is one of the effective means for balancing child/nursing care with work. It is a new workstyle that will enable diverse employees to display their capabilities.

#### Time management resolves the competing claims of work and childcare

As a mother of four children, I make use of the telecommuting system when I have errands during daytime, such as taking my children to a doctor or attending a parents' day at school, or when I need to work outside of regular office hours due to work reasons.

The telecommuting system allows me to manage my time efficiently and has resolved my frustration of being caught between time restrictions for childcare and my desire to work. Also, since my work scope has expanded, I feel more at ease with respect to my career plan while raising children.

Striking a balance between childcare and work has enabled me to have much more leeway in my life and given me a sense of fulfillment. In my work, I feel more motivated than ever.



**Aiko Takao**  
Validation Engineering Department  
Section 1,  
Feature Development Division,  
Engineering Development Division

### Creating Workplaces Where People Help One Another: Helping Employees Balance Work and Medical Treatment

At Pioneer, we consider helping employees balance work and medical treatment to be an important aspect of our efforts to achieve diversity. Pioneer already has various systems in place to support employees who wish to continue working while receiving medical treatment, but we think it is crucially important to cultivate a workplace culture where employees can utilize the systems available without concerns. By holding workshops through cooperation between management and labor, and other means, we will continue our efforts to cultivate a workplace culture conducive to achieving a balance between work and medical treatment while further improving our systems.



Seminar to support balancing between work and medical treatment

## Health and Safety Initiatives

Pioneer is working to ensure safe, hygienic workplaces where employees can work with peace of mind.

### Basic Policy on Health and Safety

At Pioneer, we accord the highest priority to protecting health and safety. In accordance with this basic policy, the Global Health and Safety Committee, which manages and

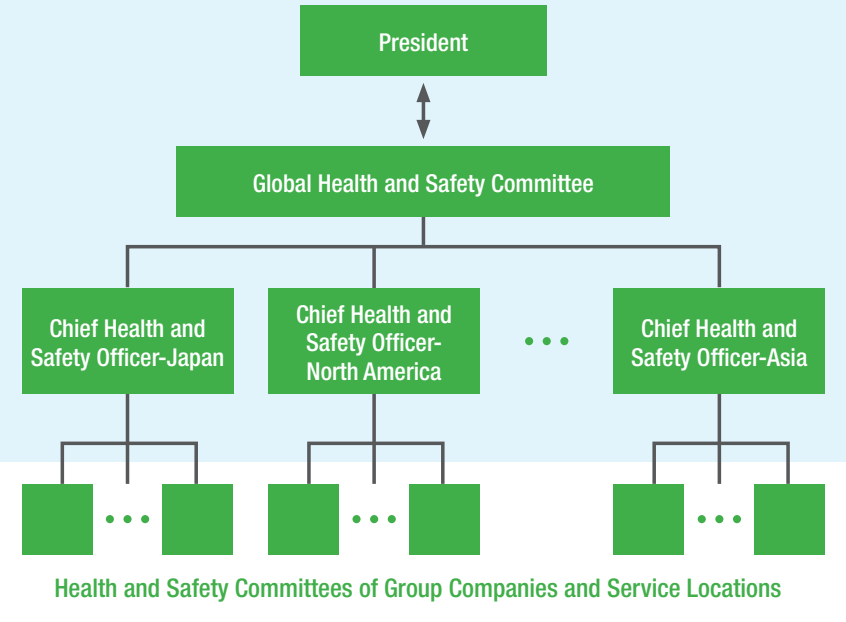
administers the Pioneer Group's health and safety, is spearheading related activities covering not only employees but also all other stakeholders.

#### Global Health and Safety Committee

While health and safety had previously been addressed by each Group company and each business site, in June 2018 Pioneer established the Global Health and Safety Committee, which is under the direct supervision of the President, in order to implement further advanced activities throughout the Group.

The Global Health and Safety Committee aims to realize a comfortable and safe workplace as well as prevent hazards and ill health, and its activities include establishing rules for the Pioneer Group, monitoring progress of the health and safety initiatives at Group companies and service locations, and providing support through educational content.

The committee meets twice a year (spring and fall) to inculcate and share awareness about the importance of health and safety while improving the level of initiatives through exchange of information.



## Kawagoe Plant

With functions ranging from R&D and planning to design, manufacturing, and quality assurance centering on car electronics, Pioneer's mainstay business, the Kawagoe Plant of Pioneer Corporation is positioned as the Pioneer Group's global manufacturing center.

Particular care is given to ensure health and safety for the large workforce of the plant. As management involvement is indispensable for reinforcing health and safety, executives visit

workplaces to check safety.

At manufacturing lines, "voice of operators" activities are conducted involving everyone working on the line. Through these activities, operators' opinions on workplace risks are gathered and management implements countermeasures. Moreover, 5S\*2 inspection by 5S members is carried out monthly under the "Safety starts with 5S" motto.



Executives visiting a workplace



Visual management (VM) of the "voice of operators"



5S inspection

\*2 5S: Slogan for maintaining and improving the workplace environment  
5S stands for "Seiri (sorting)," "Seiton (orderly)," "Seisou (cleaning)," "Seiketsu (cleanliness)" and "Shitsuke (discipline)."



Corporate Governance and Fair Business Practices

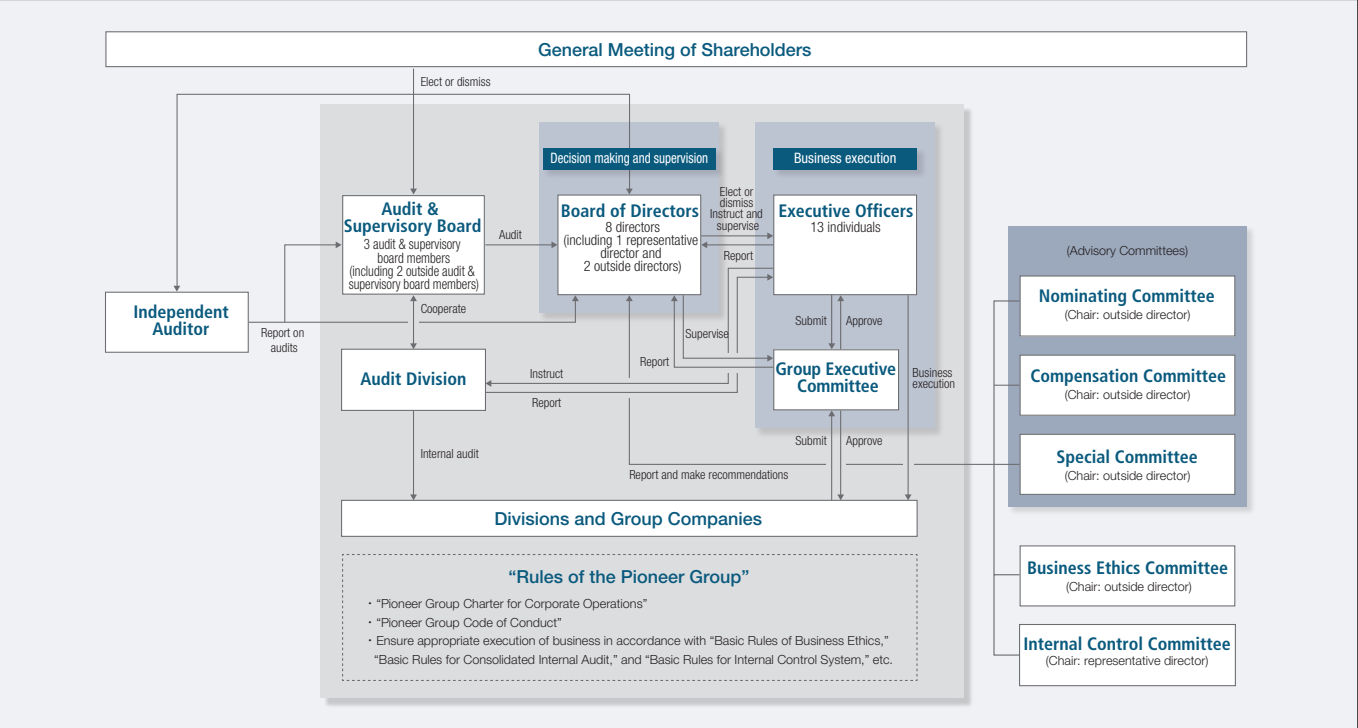
Emphasizing a sincere relationship with its stakeholders in realizing sustainable corporate development, the Pioneer Group is making the following efforts.

Corporate Governance

Pioneer has adopted an Audit & Supervisory Board system for its corporate governance. The Board of Directors has elected executive officers which comprise the Group Executive Committee. The Committee swiftly makes decisions regarding important issues that arise in the course of business promotion under the supervision of the Board of Directors. Through these initiatives, Pioneer's corporate governance is further strengthened by the fact that directors focus on their decision-making and supervisory functions

from a Group-wide perspective, while executive officers enhance their business execution functions. Pioneer has elected several highly independent outside directors to strengthen the supervisory function of the Board of Directors. The Audit & Supervisory Board, the majority of which consists of highly independent outside audit & supervisory board members, audits the directors' performance of their duties.

Corporate Governance Structure (As of October 28 2018)



Main Meetings

Board of Directors	Decide basic policies on the Company's business management and supervise execution
Audit & Supervisory Board	Discuss or determine important matters concerning audit
Group Executive Committee	Deliberate on agenda and make decisions within the scope of power delegated by the Board of Directors (enhance both the speed and effectiveness of business execution by directors and to strengthen the decision-making and oversight functions of the Board of Directors)

Voluntary Advisory Committees

Nominating Committee	Discusses matters concerning the election and dismissal of directors and executive officers, and the election of audit & supervisory board members
Compensation Committee	Discusses issues related to remuneration and other benefits for directors and executive officers
Special Committee	Discusses matters that have a significant impact on corporate value, including mergers and acquisitions

Main Internal Committees

Internal Control Committee	Identify risks associated with business activities and formulate preventive measures
Business Ethics Committee	Monitor whether the Group's executives and employees are compliant with laws and regulations and ensure strict adherence to the Group's Charter for Corporate Operations and Code of Conduct

Review of Fiscal 2017

Numbers of main meetings held were as follows.

Number of main meetings held

Board of Directors	11
Audit & Supervisory Board	15
Group Executive Committee	19

Promotion of collaboration with outside directors and outside audit & supervisory board members

Regular meeting with outside directors and outside audit & supervisory board members	4
Communication meeting with outside directors and the Audit & Supervisory Board	1

Number of main committees held

Internal Control Committee	2
Business Ethics Committee	2

Compliance and Internal Reporting

The Pioneer Group considers ensuring compliance with laws and regulations, norms, and social requirements as the foundation for earning trust and respect from society and as the basis for creating a workplace environment in which employees can carry out their duties with security and complete peace of mind.

The Business Ethics Committee, chaired by an outside director, was established in accordance with the "Basic Rules for Business Ethics," which form a part of the Rules of

the Pioneer Group, to ensure strict adherence to the "Pioneer Group's Charter for Corporate Operations" and the "Pioneer Group's Code of Conduct."

The Business Ethics Hotline has been established as an internal reporting system for the entire Group to early detect and appropriately address behavior that is in violation of the "Pioneer Group Code of Conduct." The Hotline, operated by an external agency, is administered to enable appropriate action while ensuring anonymity of informants.

Internal Control System and Risk Management

The Internal Control Committee, chaired by the representative director of Pioneer Corporation, has been established in accordance with the "Basic Rules for Internal Control Systems" under the Rules of the Pioneer Group, to consolidate and reinforce its management systems aimed at addressing risks inherent in the Group's business activities. The Internal Control Committee conducts risk assessments to acquire a better understanding of risks, and works to address risks by formulating preventive measures and taking other proactive steps.

The Audit Division audits the business operations of the

entire Group, and collaborates closely with internal audit managers from each Group company, the Audit & Supervisory Board and other related parties when auditing internal control systems and risk management as it endeavors to enhance the efficacy of internal audits related to quality control, environmental protection, and other matters.

Moreover, corporate auditors ensure the effectiveness of their audits by meeting regularly with the representative director and expanding opportunities for periodic explanations and reports from the Audit Division and the independent auditor.



Corporate Governance and Fair Business Practices



Fair Business Practices

The Pioneer Group respects social norms and the moral code in promoting fair business activities with the aim of protecting peace and public order as a good corporate citizen and promoting the development of an affluent society, as well as ensuring compliance with internal rules, laws and regulations.

Appropriate Disclosure of Corporate Information

By ensuring appropriate disclosure of corporate information, Pioneer will increase the transparency of the corporate activities with the aim of deepening the understanding and trust of shareholders, investors and society at large.

Ensuring Fair Trade  
Promoting fair and free business practices

Under the Rules of the Pioneer Group, the Group formulates manuals to prevent acts that violate laws and regulations pertaining to competition laws and offers thorough compliance training.

Protection of Intellectual Property

The Group is appropriately maintaining and managing intellectual property as well as respecting intellectual property held by others.

Crisis Control Measures

Under the Rules of the Pioneer Group, in order to optimize the Group's response in the event of a crisis that has the potential to seriously impact its business and operations, the Emergency Management Committee has been established as a permanent organization to address and resolve crisis events and issues while overseeing the education, training and notification processes relating to crisis management.

Security Export Control

To contribute to maintenance of international peace and security, the Group complies with each country's Security Export Control Laws and Regulations based on the International Regimes and implements precise control under the Pioneer Export Control Committee covering the entire Group.

Exclusion of Anti-social Elements

The Group shares information internally and responds in a systematic and resolute manner while abiding by laws and regulations through provision of guidance on handling and ensuring communication.

Information Security and Protection  
of Personal Information

The Group stringently safeguards customers' interests and rights. The Group also strives to strengthen its information security to defend against cyber-attacks.

Promotion of Social Responsibility in the supply chain

The "Pioneer Group Code of Conduct" requires the Group to deal fairly with its suppliers on an equal footing, in accordance with relevant laws, regulations, and agreements. In addition, it requires its suppliers to act with awareness of their social responsibility, including observing

laws and regulations of the countries and regions where they do business and respecting international agreements of the United Nations, the International Labour Organization, the Organization for Economic Cooperation and Development, and so on.

CSR procurement policy

In 2017, the Pioneer Group revised the Pioneer CSR Procurement Guidelines in response to the current global trends of CSR. We also conducted questionnaires and interviews with material suppliers on human rights and labor practices in the previous fiscal year.

In order to promote CSR, we recognize the importance of raising the volume of CSR procurement in the course of business activities and request our material suppliers to make vigorous efforts.

Excluding anti-social elements

The Pioneer Group requires that its suppliers not associate with, utilize, or provide funds to anti-social elements.

Prohibition on bribery

We require all our employees to comply with regulations against bribery applicable in the countries where the Pioneer Group conducts business.

BCP promotion in the supply chain

As a manufacturer, the Group has a responsibility to recover quickly in the event of a disaster or unforeseen circumstances to ensure business continuity and continuation of supply. Therefore, we require each supplier to clarify its supply chain, while establishing and continually improving its BCP to enable swift response in any accidents.

In addition to risks of accidents and natural disasters, there are risks that stricter environmental regulations in certain countries may disable operation in the regions subject to those regulations.

We request our suppliers to assess risks and implement specific risk-hedging measures in their supply chains.

Specific risk-hedging measures in their supply chains.

Addressing environmental laws and regulations

The Pioneer Group requests that our business partners make the following efforts and enhancements based on our Philosophy of Environmental Preservation whereby we hold that "maintaining, improving, and handing over the global environment to the next generation is our corporate mission."

- 1. Construct an environment management system
- 2. Reduce greenhouse gases
- 3. Promote resource recycling
- 4. Manage chemical substances

Response to conflict minerals

It is the Pioneer Group's policy not to procure any materials, parts or products that use mineral resources involving human rights violations, environmental destruction, child labor or other problems.

We also request our material suppliers to adopt this policy. If it is found that mineral resources involving such problems are used, we will take action to resolve the situation in cooperation with the suppliers.



INTERVIEW

To be a responsible corporate citizen of integrity

Overall, our division is tasked with identifying, managing and reducing legal risk to Pioneer. Tactically, this means everything from giving legal advice on matters involving the company, to reviewing and negotiating contracts, to managing litigation when the company is involved. More strategically, however, it means promoting a culture of compliance at Pioneer – where our employees have a belief in and respect for doing business ethically, honestly and transparently.

We emphasize corporate compliance through regular communications from top management, presentations at

all employee meetings and specific training on topics affecting our various businesses. Our training efforts try to emphasize not only the benefits of being a good corporate citizen, but also on the very real and heavy financial and social costs of non-compliance. Maintaining and promoting this culture at Pioneer is one of our legal division's most challenging tasks. But through these efforts, our reputation can be maintained as a company of good character and responsible citizenship, that is ethical and transparent with its employees, its shareholders and its business partners.



Gregory R. Pierson  
Executive Officer,  
Chief Legal Officer,  
Pioneer Americas Group,  
Executive Vice President, Pioneer  
Electronics (USA) Inc.

Integrity in Business Activities webpage

<https://global.pioneer/en/society/csr/activity/>

Corporate Governance webpage

<https://global.pioneer/en/info/governance/>



# Communication with Society

## In Harmony with Society

We are active in the following viewpoints toward Communication with Society.

### Shareholders, Investors and Society

Pioneer regularly conducts briefings on its financial results and company affairs for the benefit of investors and the mass media. Moreover, every effort is made to disclose information in a timely and appropriate manner on the Company's website.

With the goal of improving its overall corporate conduct, each Pioneer division addresses the wide range of inquiries it receives from customers and external parties by e-mail. The Company's website features a page for these users to submit their inquiries, opinions, and comments on an anonymous basis.



Financial Results Briefings

### Material Suppliers

Pioneer's materials procurement division regularly holds business policy meetings for the benefit of suppliers. In addition to explaining the Company's business plans and fostering deeper understanding, the Company works diligently to gain the cooperation of suppliers in fulfilling a broad spectrum of corporate social responsibilities across the entire supply chain.



Presentation of business policies

### Customers

Pioneer holds Carrozzeria LIVE, an event where people can experience the latest car electronics products.

The event is aimed to help consumers unfamiliar with Carrozzeria and other car electronics products experience the pleasure and convenience they offer through hands-on experience.

A range of entertainment content is available to suit the diverse preferences of men and women of all ages. Pioneer attaches great importance to direct communication with customers.



Carrozzeria Live

### Dealers

Pioneer's sales subsidiaries regularly hold product seminars for car electronics dealers and major mass merchandisers. Product planning representatives explain and demonstrate functions of new products, and also compare them with competitors' products in the seminars. Participants can freely discuss products as well. We will continue regularly holding this type of seminars to strengthen partnerships with dealers.



Product seminar

### Local Communities

The Pioneer Group seeks to engage with local communities as a responsible corporate citizen. Group companies and business sites hold briefing sessions on the environment with local residents and events for

students of local schools to learn outside of the classroom. We also extend cooperation to community events.

### Employees

Pioneer works to maintain good relationships with labor unions\*, which form the Federation of Pioneer Group Workers Unions, representing Pioneer Group employees, with an emphasis on dialog based on mutual trust.

Among them, with the Pioneer Labor Union, Pioneer holds central

labor-management conferences every six months. In addition to discussion on personnel systems, Pioneer and the union cooperate on the Return to Work Program as a part of support for balancing work with child/nursing care.

\* The labor unions are active at Pioneer and seven affiliated companies. These unions combine to form the Federation of Pioneer Group Workers Unions, which is associated with the Japanese Electrical, Electronic & Information Union.

## Scope of the Report

- **Period covered**  
This report covers fiscal 2018, the fiscal year ended March 31, 2018, as well as some earlier initiatives and more recent activities.
- **Organizations covered**  
Pioneer Corporation and the 72 consolidated subsidiaries of the Pioneer Group
- **Definitions used in this report**  
“Pioneer” or “the Company” indicates Pioneer Corporation, and “the Pioneer Group” or “the Group” indicates Pioneer Corporation and its consolidated subsidiaries.

## Related Information

- **Related reports and information**  
Pioneer discloses its financial information in its Annual Report and other reports as well as on its website.  
<https://global.pioneer/en/ir/>
  - **Reference Guidelines**
    - Environmental Reporting Guidelines (2012 edition) published by Japan's Ministry of the Environment
    - Global Reporting Initiative GRI guidelines
    - ISO26000 (Guidance on Social Responsibility)
- Information on the Pioneer Group's environmental initiatives is also presented on its website.  
<https://global.pioneer/en/society/environment/>
- Information on the Pioneer Group's CSR is also presented on its website  
<https://global.pioneer/en/society/csr/>
- Pioneer provides information concerning its technological developments and R&D on its website.  
[https://global.pioneer/en/crdl\\_design/crdl/](https://global.pioneer/en/crdl_design/crdl/)