

# Together With Society

The JTEKT Group aims to contribute to the resolution of social issues and realize a sustainable society through business conducted in accordance with its corporate philosophy.

## Corporate Activities Standards

### Responsibility to our customers and business partners

- We follow proper business practices and engage in fair, transparent, and free competition based on a respect for the law.
- We derive concepts from the market, provide the best in quality, technology, and service, and obtain the satisfaction and trust of customers.

### Responsibility to our shareholders

- We maintain close communication not only with shareholders but also with society at large and disclose corporate information properly, while at the same time working to improve our corporate value on a continuous basis.

### Responsibility to our employees

- We respect the individuality of employees, create workplaces that are motivating to employees and enable them to fulfill their potential, and strive to provide each with abundant living circumstances.

### Contributing to regional societies and to global society

- As a good corporate citizen, we aggressively pursue activities that contribute to society.
- We follow international rules, observe the laws, cultures, and customs of countries and regions where we have operations, and seek to contribute to their growth.
- We carry out global environmental improvement activities proactively and aggressively with deep awareness of their being an important corporate mission.

## Global Conduct Guideline

### Responsibilities in line with global-level business activities

JTEKT has established the Global Conduct Guideline in an effort to fulfill its social responsibility as a company conducting business activities on a global scale. This guideline is updated and revised on an ongoing basis to appropriately reflect changes in international affairs and the social environment and expectations of society on corporations.

\* For more information, please visit JTEKT's website.  
<https://www.jtekt.co.jp/e/sustainability/csr/concept/>

### Main Points of the Global Conduct Guideline

1. Laws and Rules
2. Customers and Business Partners
3. Company
4. Our Colleagues
5. Society at Large

## CSR Promotion

### Implementation of CSR activities in each division on a companywide basis

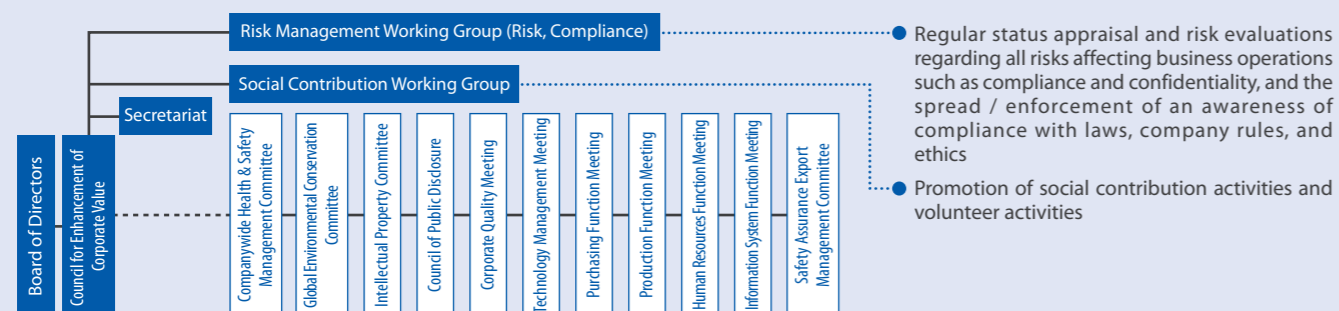
At JTEKT, we believe CSR is a core corporate activity and, as such, each of our divisions and units formulates an annual activity plan. A PDCA cycle\* is then applied to this plan in accordance with monthly management based on policy control. Through this type of mechanism to achieve goals, we are incorporating concrete initiatives in company policy and division / unit policies to achieve the steady promotion of CSR activities.

\* The Plan, Do, Check, Action management method for ongoing operation improvements

### Various specialized working groups

JTEKT has established specialized working groups to plan and promote activities for major themes such as risk management and social contribution.

### Outline of the CSR promotion structure



## Major ESG<sup>1</sup> Data

### Contributing through *monozukuri*

			Unit	FY2016	FY2017	FY2018	
Products [Consolidated]	Contribution to CO <sub>2</sub> emissions reduction <sup>*2</sup>	Total	1,000t	762.2	761.0	816.0	
	Product group examples	Steering <sup>*3</sup>	C-EPS Powerassist steering system	1,000t	366.0	372.0	370.0
		Bearings <sup>*4</sup>	Tapered roller bearings for automobiles	1,000t	105.1	111.4	115.0
R&D [Consolidated]	Total cost of R&D <sup>*5</sup>		Billions of yen	48.2	55.2	63.6	
R&D [Nonconsolidated]	No. of patents pending <sup>*6</sup>		Incidents	652	543	614	
	No. of patents acquired <sup>*6</sup>		Incidents	397	368	334	
Quality [Nonconsolidated]	No. of visitors to quality exhibitions (Total)		People	11,110	—	9,237	
Environment [Consolidated]	Prevention of global warming	CO <sub>2</sub> emissions for internal production	1,000t	771	784	807	
Environment [Nonconsolidated]	Prevention of global warming	CO <sub>2</sub> emissions for internal production	1,000t	227	227	217	
		CO <sub>2</sub> emissions in production per in-house production volume	t/Billions of yen	14.32	14.03	13.11	
		CO <sub>2</sub> emissions in logistics	1,000t	13.2	12.8	12.2	
	Effective use of resources	CO <sub>2</sub> emissions in logistics per net sales	t/Billions of yen	0.215	0.199	0.182	
		Waste per in-house production volume	t/Billions of yen	0.712	0.678	0.620	
Reduction and management of environmentally burdensome materials	Packaging usage per net sales	t/Billions of yen	0.077	0.077	0.075		
	Water usage per in-house production volume	1,000m <sup>3</sup> /Billions of yen	0.148	0.143	0.135		
No. of environmental issues	Release / transfer of substances subject to PRTR	t		40	38	27.1	
		Incidents		1	0	2	

### Establishment of a firm management foundation

Employees [Consolidated]	Ratio of foreigners occupying key positions in overseas locations	%	62.9	65.3	65.7	
Employees [Nonconsolidated]	Level of understanding by employees of own division's vision	%	60.2	67.1	68.0	
	Female employee percentage	%	9.8	10.3	10.8	
	Percentage of women in administrative positions	Managerial positions	%	0.83	0.92	1.07
		Assistant managers	%	3.89	4.11	4.69
	Percentage of employees with disabilities	%	2.15	2.17	2.17	
	Employees who took childcare leave	People	41	49	60	
	Employees who took family care leave	People	2	1	5	
Percentage of vigorous and vibrant workplaces	%	55.7	55.3	21.4		
Governance [Nonconsolidated]	No. of internal reports made	Incidents	45	50	49	
Local contribution [Nonconsolidated]	No. of youth development	People	—	1,201	1,627	
	No. of information get-togethers with local community	Place	13	13	13	
	No. of participants in region Cleanup activities	People	4,510	4,665	4,861	

<sup>\*1</sup> Acronym that stands for environmental, social and governance. Used as an indicator to determine whether or not a company can grow sustainably.  
<sup>\*2</sup> CO<sub>2</sub> emissions reduction due to an environmentally-considerate design at the product usage stage. The amount calculated globally is shown for each year. From fiscal 2016, the calculation method is partially amended.  
<sup>\*3</sup> Figure is calculated based on the number of products designed by JTEKT therefore products produced overseas are included.  
<sup>\*4</sup> Non-consolidated  
<sup>\*5</sup> R&D costs included in general and administrative costs and manufacturing costs.  
<sup>\*6</sup> Calculation method has been revised for past portions also.

### Third-Party Evaluations

In light of our efforts and information disclosure in the ESG areas, JTEKT has been selected for inclusion in FTSE Russell's FTSE4Good Index Series and FTSE Blossom Japan Index. Also, within the corporate survey conducted by CDP<sup>7</sup>, in fiscal 2018 we received an A- in the climate change and a B- in the water security categories. Going forward, through our CSR activities we will contribute to sustainable societies and strive to sustainably enhance our corporate value.



<sup>\*7</sup> CDP: Representing global institutional investors, CDP provides information disclosure on corporate activities with regard to climate change, water, and forest resources. This is an NPO that provides investors with disclosure using an eight-level assessment (A-D) with regard to company responses.