

Raising JTEKT's CSR activities to a new level

In FY2008, JTEKT established a CSR Promotion Committee chaired by the president in order to further strengthen its CSR activities. The following is an interview with President M. Yokoyama regarding CSR and the background to this committee's establishment.

JTEKT Corporation
President

Motohiko Yokoyama



The very activities required by our Corporate Philosophy are what compose CSR activities

— How does JTEKT view CSR activities?

I consider CSR to be activities required to achieve our Corporate Philosophy, which comprises our Corporate Purpose and our Management Stance. Our Corporate Philosophy is to “seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society,” and our Management Stance is to “create new value and provide society with joy and inspiration,” “aim for growth in harmony with society on a global basis,” “maintain respect for

people in all activities,” and “strive toward the realization of safer, more abundant living circumstances.” These very activities are what compose our CSR activities.

Through all activities related to products, sales, manufacturing, purchasing and other functions, we will continuously strive to win the trust of society and contribute to the happiness of people and the abundance society. This will result in the achievement of CSR, I believe.

While the term “CSR” is heard increasingly in recent years, the concept itself is not new, and promoting CSR does not require starting a completely new project. Many companies

including JTEKT began carrying out CSR activities before this word came into common use, but I believe identifying, organizing and promoting these within a specific corporate program has been very beneficial and important.

The JTEKT Group has about 30,000 employees worldwide. I believe it is important for all employees, as members of a global business group, to be thinking deeply about how they can contribute to the creation of a sustainable, abundant society, having discussions on this topic, and putting ideas into practice.

Expanding JTEKT's CSR policy to group companies and suppliers

— What was the background to establishment of the CSR Promotion Committee (*1) in FY2008?

As I was explaining, while CSR activities are not new to our company, stakeholders' expectations toward us in recent years have risen and diversified. In order to meet these expectations and respond to the trust of society, we considered it important to clarify the direction of our CSR activities, identify issues and track results by an organized method, and carry out activities in a planned, consistent manner. With this in mind, we reorganized our previous Corporate Conduct and Risk Management Committee into a new CSR Promotion Committee and clarified its mission. CSR activities previously centered on economic and environmental issues, but currently we are striving to strengthen social contribution activities as well. Our aim is to carry out CSR activities while giving serious consideration to the views of our wide range of stakeholders beginning with our business partners and shareholders.

— The CSR Policy (*2) was issued at establishment of the CSR Promotion Committee.

The CSR Policy clarifies our responsibility to meet the expectations of stakeholders, with the most basic responsibility being corporate compliance. The CSR Policy not only must be adopted and put into practice by JTEKT Group companies but also must be expanded to the JTEKT supply chain. We have returned to the recognition that our Corporate Philosophy, Corporate Activities Standards, Employee Conduct Guidelines, and Ethics Code for Directors and Officers form the elements

of our CSR Policy and have clarified that group companies and suppliers should follow it as well.

Fulfilling responsibilities through conscientious business activities is of greatest importance

— How are you striving to raise JTEKT's CSR activities to a new level?

JTEKT's CSR activities are divided into two main categories. The first is activities we refer to as basic CSR. I believe fulfilling our responsibilities to all stakeholders through carrying out conscientious business activities on a continual basis is of greatest importance. It goes without saying that compliance with laws, regulations and business ethics is the basis, but it also is important to engage in fair, transparent, and free competition; obtain a proper level of profit; pay taxes properly to support society; return profit appropriately to shareholders in the form of dividends; continually provide high-quality, fairly priced products and services to customers; and enable employees to enjoy happy, prosperous lives. In addition, we consider it important to strengthen efforts to prevent and reduce operational risks in order to meet the full expectations of stakeholders.

The second is activities we refer to as proactive CSR. These are activities we carry out proactively in order to contribute to society appropriately for a company of our stature and characteristics. Specifically, we established a Social Contribution Working Group that promotes activities related to environmental conservation, human development, and contribution to local communities. In FY2009, this working group is focusing on the following two themes: (1) Social contribution activities at each business site to give back to the community, and (2) creation of a corporate atmosphere that encourages all employees to actively participate in social contribution activities. My belief is that such activities must be continued regardless of fluctuation in the company's business results.

We have explained this thinking to our group companies and suppliers, and an important task for us is to foster a stronger common awareness and corporate culture with them.

— Thank you for your passionate message.