

Human Resource Development

We are establishing frameworks to develop personnel who are able to put the JTEKT Basic Principle into practice, to create workplaces where employees can work in good health and with enthusiasm, and to foster human resources capable of individual and independent learning and shared growth.

Direction of Human Resource Development

We positioned development of human resources and organizational structures as priority action items in our Medium-Term Business Plan and undertake human resource development in which each employee takes the initiative in accordance with the following two policies.

- (1) We conduct human resource development based on the belief that employees are an indispensable asset for corporate activities.
- (2) We foster a culture of self-initiated learning and growing together.

Building a Sound Framework for Human Resource Development

Human resource development for office and engineering staff

JTEKT undertakes human resource development based on three pillars: on-the-job training (OJT), off-the-job training (OFF-JT) and career development.

With the declining birthrate, need for increasingly sophisticated human resources, and greater employment mobility in Japan, it is becoming increasingly difficult to recruit effective human resources needed for business activities. We are aware that developing human resources is a fundamental issue that is crucial to business continuity and we are addressing human resource development from both physical and emotional perspectives.

- **OJT training**
To draw out the initiative of personnel through communication and practice, we conduct periodic interviews and operate an on-the-job trainer system. We also introduced "Problem Solving (four-year basic training)" to improve problem-solving skills and also develop human resources through practical work in the workplace.
- **OFF-JT training**
We conduct systematic training according to employee position and age as well as the topic with a focus on strengthening problem-solving skills, one of the foundations of work, and also conduct e-learning based optional training to encourage self-initiated learning.
- **Career development**
To support the self-actualization of employees, we conduct career interviews, formulate succession plan, and use an internal recruiting system. In addition, we have created an environment where employees can select their careers at their own initiative.

Human resource development for production staff

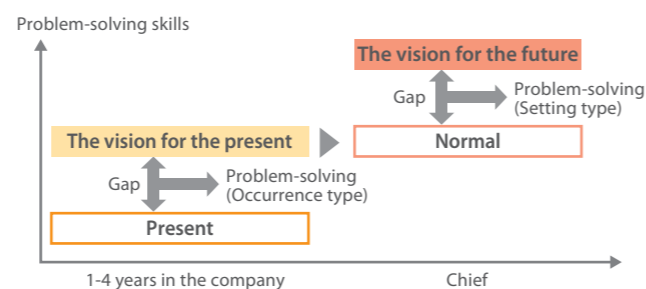
Human resource development comprises four core elements: companywide training, workplace-based training, newly appointed supervisor training and self-education.

- **Companywide training**
In addition to career development programs (rank-based training) at the JTEKT Academy, a certified vocational training facility, we offer supervisor training, specialized technical training, a TWI supervisor training course, and a TWI 10-hour training course.
- **Workplace-based training**
We provide on-the-job training (OJT) for the specialized skills necessary for handling down skills as well as specialized training and skills courses for acquiring qualifications that are needed for work.
- **New manager training**
We conduct practical training on the Toyota Production System (TPS) in collaboration with the Operations Management Development Dept. and focus on raising the level of understanding.
- **Self-education**
We provide support so employees can pursue the acquisition of qualifications including the national trade skill test & certification, QC KENTEI(Quality Management and Quality Control Examination), and autonomous maintenance worker certification.

Realization of What We Want to Be

We realize optimal placement through various personnel systems, including self-assessment, career interviews, and transfer/open recruitment systems. In addition, we organically link the three elements of human resource development, evaluation, and compensation to maintain a high level of motivation and improve abilities, aiming to realize the ideal employee.

In order to embody JTEKT Basic Principle of "continuous improvement," we thoroughly train our employees in problem solving during their first to fourth years with the company, and after promotion to senior manager, we focus on creating and accomplishing tasks to enable them to accomplish higher task.



Diversity

In the midst of an ever-changing management environment, represented by globalization, accepting and utilizing personnel with diverse values irrespective of gender, nationality, age, culture and so on is essential for a company to continue growing. JTEKT positions Diversity & Inclusion (hereinafter referred to as D&I), which maximizes the ability, experience, and characteristics of each employee, as one of our most important management strategies, and are working on it.

Reform Awareness of All Employees and Encourage a Diversity Mindset

In order to promote D&I, first, all employees must understand the necessity and the purpose, change their awareness and their conduct. To this end, JTEKT conducts diversity education through e-learning and other means for all employees.

- **D&I Policy**
(1) By creating a work environment where diverse human resources can work enthusiastically and by developing a framework for working styles, we will put the right people in the right jobs and manage their abilities to the fullest.
- (2) Aiming for corporate growth through the growth of each and every employee through their work

Promotion of Utilization of Women

In order to accelerate female participation in the workplace, we conducted a survey of actual conditions targeting all employees and all management personnel. We investigated the environment surrounding female employees, awareness of female employees' work and the development/assessment by superiors of subordinates. As a result, we are promoting initiatives to address issues that have emerged under the three pillars of "awareness reform," "support for work-life balance," and "fostering a corporate culture."

Under the Action Plan formulated in accordance with the Act on the Promotion of Women's Active Participation in Their Occupational Lives, we set targets for the number of women in managerial positions and the percentage of men taking childcare leave.

- **Plan period:**
April 1, 2023-March 31, 2026
- **Targets:**
1. increase women in managerial positions to at least 40
2. increase the percentage of men taking childcare leave to at least 50%.

LGBTQ+Support

We are promoting initiatives to create a work environment in which everyone can play an active role regardless of sexual orientation or gender identity (SOGI).

We conduct educational activities through training, an in-house newsletter, and other means and established a

consultation service for SOGI (Sexual Orientation and Gender Identity.) We also aim to create a workplace environment in which everyone can work with confidence.

Promotion of the Dual Support System

We conduct e-learning training concerning support for balancing childcare, family care, and so on with work and take measures to enhance awareness of these systems and also post the Handbook on Supporting a Balance between Work and Childcare and the Handbook on Supporting a Balance between Work and Family Care on an internal website so that all employees can access them whenever necessary. We also created a website concerning the balance between childcare and work for use exclusively by employees on childcare leave and are creating systems that enable those employees to obtain services such as online courses for enhancing skills free of charge. With regard to family care, we established a dedicated telephone consultation service that enables employees to consult with experts 24 hours a day if they have any difficulties regarding family care.

In addition, we have introduced various programs that support a good work-life balance and establish systems that enable employees to work more flexibly including a work from home program, a secondary job program, and a come-back support program (a reemployment program for employees who resigned due to transfer of their spouse or other similar reasons).

Employment of People with Disabilities

JTEKT supports the active participation of employees with disability in the workforce by creating comfortable workplaces and allocating personnel to best suit the characteristics of their individual disability. Moreover, with the retention rates of persons with disabilities not increasing in society as it should be, JTEKT is exerting efforts to help increase this rate by encouraging a good understanding of workplaces and tasks through hands-on training. As one aspect of our efforts to create environments that facilitate work by all, we are introducing support tools for employees with hearing impairment (devices that display spoken word on a PC screen).



Use of a support tool during training

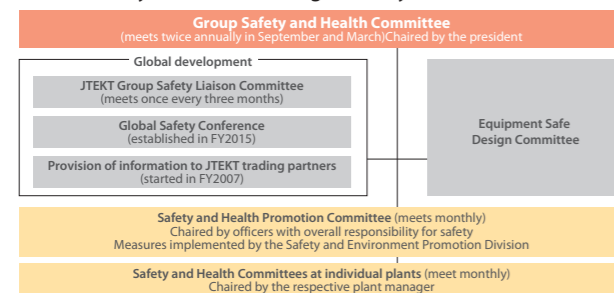
Occupational Safety and Health

Based on the philosophy that “All accidents can be prevented,” all employees are united in their efforts to participate in safety and health activities and create a comfortable work environment. In addition, a dedicated global message, “All for One in Life,” expressing the company safety philosophy is disseminated at JTEKT, and we aim to achieve zero accidents through activities focusing on one’s life and health.

Promotion Structure

The JTEKT Group has established a centralized management system for safety and health, and is deploying activities under this system. The company-wide Safety and Health Committee develops policies and confirms progress statuses for safety, health, and fire prevention based on reviews of safety scores and employee feedback, subsequently disseminating the results to all employees. In addition, a company-wide Safety and Health Promotion Meeting is held every month. At these meetings, messages from top management on safety are shared, with accident case studies horizontally deployed and measures to prevent recurrence instituted promptly. The Committee also reports on safety and health activities suited to the characteristics of each plant and office and the results of safety and health patrols involving everyone from plant managers to associates, to identify issue areas and discuss kaizen plans.

Central Safety and Health Management System (Global)

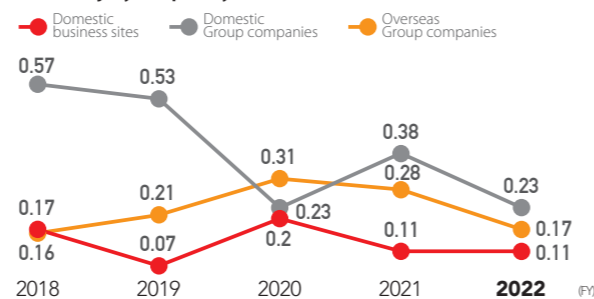


Status and Initiatives for FY2022

We visualize the strengths and weaknesses of each workplace and individual employee through safety evaluations of all employees. Based on the results of evaluations, we aim to create people and workplaces with high levels of safety awareness and abilities, which includes supervisors working together with their subordinates to eliminate their weaknesses. We are also making efforts to enhance training for supervisors and managers.

For management system certification status, JISHA Occupational Safety and Health Management System (OSHMS) certification has been acquired at one of the plants in Japan, while the remaining plants have established their own systems with reference to OSHMS. At the JTEKT Group, three domestic companies have obtained JISHA OSHMS, and one domestic company and 29 overseas plants have obtained external certification for ISO 45001.

Lost time injury frequency rate



Health

We believe that it is essential for our employees to be healthy both physically and mentally in order to achieve sustainable corporate growth. We have established “improving employee health” as one of our key management tasks, and aim to be a company where every individual can work energetically by proactively implementing health initiatives.

Health Declaration

JTEKT Group believes that both the physical and mental health of all employees and their families is the most important for company. We will support the health of our employees and their families with compassion and sincerity, and will also work on health promotion activities with a focus on employees.

We declare that we will work on disease prevention for employees and their families, and create health-first workplaces in which everyone can feel that the workplace is getting better and better.

June, 2021
Kazuhiro Sato, President of JTEKT Corporation

Main Activities for FY2022

With the aim of encouraging employees to think and act proactively to maintain and improve their own health, we conduct an annual Healthy Human Evaluation and feedback the results to individuals and workplaces. Based on the results of FY2022, we will consider improving exercise habits and sleep as an issue, and in FY2023, we will implement measures to improve sleep and work to establish exercise habits using the health support point system.

Supply Chain Management

In the context of the expectation that procurement activities by companies consider human rights, labor practices, fair business practices, and the environment, in addition to conventional QCD (quality, cost, and delivery), JTEKT is committed to engaging in fair, transparent, free competition, and proper business dealings based on the spirit of compliance with the law.

Purchasing Philosophy

We have clearly stated in the JTEKT Corporate Activities Standards and our Purchasing Philosophy that we conduct open and fair business practices with our suppliers regardless of their country, size of business, and experience of doing business with us. In accordance with the policy, we have posted procedures for starting business with us on our website to provide each supplier with an opportunity for equitable competition. Moreover, we announced our “Partnership Building Declaration” in October 2021, which includes our commitment to growth and development of both our company and suppliers through mutual trust built by respecting suppliers as partners.

Refer here for the Purchasing Philosophy and Basic Purchasing Policy

<https://www.jtekt.co.jp/e/sustainability/society/partner/>

JTEKT Supplier Sustainability Guidelines

In May 2022, JTEKT renewed the JTEKT Supplier Sustainability Guidelines for sharing the aim of our CSR Policy with our suppliers and clarified the matters suppliers must comply with. The guidelines provide guidance on global environmental initiatives, protection of human rights, and respect for diversity in light of the recent social context. We require our suppliers and their suppliers in the upstream supply chain to comply with the guidelines.

Each division of our company complies with various guidelines in each industry to maintain appropriate transactions with suppliers. We also use every possible opportunity to disseminate information to suppliers and obtain their opinions to improve communication with them.

Green Purchasing

JTEKT promotes companywide green purchasing activities to build a sustainable, recycling-based society. For this purpose, we have issued the JTEKT Green Purchasing Guidelines to ask our suppliers for their cooperation.

Actions required under the Green Purchasing Guidelines

- Establish an environmental management system, including the acquisition of certification from external organizations such as ISO 14001.
- Comply with and thoroughly enforce environmental laws and regulations.
- Prohibit or restrict the use of substances of concern.
- Improve environmental performance, including reducing CO₂ emissions to achieve carbon neutrality.
- Promote biodiversity conservation.

Traceability Initiatives

To protect the lives (safety and security) of our customers, we carry out design and production based on the JTEKT Quality Policy.

For example, we have implemented initiatives to link vehicles and our products on a one-to-one basis by attaching 2D codes to products such as steering wheels allowing the target product to be identified in the unlikely event of a defect in a delivered product. The entire Group works together to take anti-counterfeiting measures. For bearings, we additionally cooperate with the World Bearing Association in providing an app to determine product authenticity.

Refer here for more information on anti-counterfeiting activities

<https://www.jtekt.co.jp/e/products/sfb/>

Addressing Conflict Minerals Issues

In FY2023, we are continuing to conduct our conflict minerals survey, which we have implemented since FY2013. With the cooperation of our suppliers, we have confirmed the history of minerals used in our products throughout the supply chain to respond appropriately to customer inquiries.

Initiatives for Carbon Neutrality

Led by an internal organization dedicated to carbon neutrality, established in 2021, we work with our suppliers to achieve carbon neutrality, introducing good practices on carbon neutrality and advising suppliers on energy-saving activities.

Human Rights

There is growing concern worldwide about the impact of business on human rights, with companies being called upon to respond in a responsible manner. JTEKT will also promote initiatives for the respect of human rights as an essential element of our sustainability management.

Basic Approach to Respecting Human Rights

We recognize that the impacts of our business activities on human rights issues are not limited to those from our own company but also extend to impacts in our supply chain.

JTEKT circumvents causing or exacerbating human rights violations, and takes appropriate measures to rectify and remedy the situation if human rights violations do occur, in accordance with guidelines such as the UN Guiding Principles on Business and Human Rights.

Human Rights Policy

The Company has promoted initiatives for the respect of human rights based on its Guidelines for Employee Conduct and JTEKT Supplier Sustainability Guidelines.

In April 2023, we formulated and published the JTEKT Group's Human Rights Policy as a means to clarify our stance and further promoting activities for the respect of human rights, and have declared our commitment to fulfilling our responsibility to respect human rights.

Refer here for the JTEKT Group's Human Rights Policy
https://www.jtekt.co.jp/e/sustainability/human_rights_policy.html

Human Rights Due Diligence

We are engaging in due diligence with respect to human rights in accordance with the JTEKT Group's Human Rights Policy.

In 2022, a human rights impact assessment was conducted, with risks assessed in terms of their "severity" and their "likelihood of occurrence." As a result, four risks—forced labor

and slavery; child labor; discrimination; and harassment—were identified as human rights risks that the JTEKT Group must address with the highest priority and designated as priority issues.

Establishment of Consultation Counters

JTEKT has established counters for consultation and reporting both internally and outside the Company. Anonymous reporting and foreign language services have also been made available, in an effort to create an environment in which one can readily and easily consult and report. We also institute appropriate measures to rectify and remedy the situation if actual human rights violations are identified.

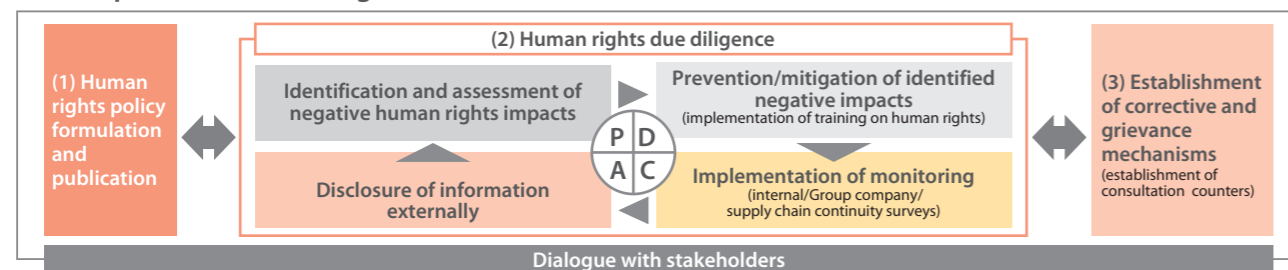
Training and Awareness Activities

We conduct awareness activities to facilitate employees in putting into practice behaviors based on the JTEKT Group's Human Rights Policy. Human rights training is provided to all employees, including new recruits, with training also implemented on discrete themes including "harassment" and "diversity," which have been stipulated as priority issues.

Initiatives for the Supply Chain

We conducted surveys on the circumstances of non-Japanese technical interns as well as on the use of conflict minerals in the supply chain as part of initiatives to address the priority issues of "forced labor and slavery" and "child labor." For more details on the survey on conflict minerals, see p. 50 "Supply Chain Management."

Overall picture of human rights initiatives



Social Contribution Activities

The importance of participating in and contributing to the local community is one of the seven core themes of ISO 26000. The 4th edition of GRI Sustainability Reporting Guidelines (G4 Guidelines) touches on local community development programs based on the needs of local community. We endeavor to grasp both the impacts on and the needs of the local community, and implement activities to establish positive with local residents.

Establishment of JTEKT Group Social Contribution Activity Policy

The Company has formulated JTEKT Basic Principle to express its desire to solve social issues through its business activities and to continue to be a company that contributes "for the Earth, for the society, and for customers." For social contribution activities other than business activities, JTEKT has established the JTEKT Group Social Contribution Activity Policy based on JTEKT's Basic Principle, and is developing company-wide social contribution activities.

Refer here for the JTEKT Group Social Contribution Activity Policy
https://www.jtekt.co.jp/sustainability/social_contribution_activity_policy.html

Sports Promotion

Athletes aspiring to the world stage are supported at JTEKT through company sports activities including volleyball, badminton, softball, wrestling, and weightlifting. We also organize volunteer activities including sports classes and community clean-ups. These are some of our efforts which are underway for the promotion of sports and contributions to the local community.



In FY2022, we held volleyball classes at 16 locations for 1,113 junior high and high school students in the business area as part of the JTEKT STINGS Volleyball School and badminton classes for 156 people at 10 locations as part of JTEKT Stingers Badminton School. We will continue to actively nurture our connections with people in local communities through sports classes.



Main Activities for FY2022

Participation in community events by offices

We actively participate in local events and festivals to build and maintain good relationships with the communities that support our offices. Our Nara Plant participated in a rice planting and harvest festival in the neighboring community, while our Kokubu Plant participated in a Fire Fighting Ceremony.



Food donations to food banks

With the cooperation of the Food Bank (Volunteer Center), we delivered food to people in the community who needed it, just in time for the replacement of emergency stockpiles.



Conducted a workshop at a nursery school

We conducted a workshop at a nursery school in Nagoya City as part of activities to publicize our corporate mascot design contest. Approximately 50 children were provided with handmade materials by our employees to familiarize them with "Bearings used in your lives." They were also encouraged to participate in creating mascot design illustrations, featuring a cat motif.



Refer here for details of other social contribution activities
<https://www.jtekt.co.jp/e/sustainability/society/community/>