

## Environmental Challenge

**Atsushi KUME**

Senior Executive Director, Member of the Board



Not a day goes by that we don't hear or read news about global environmental issues, such as global warming or the depletion of natural resources. In the Paris Agreement concluded at COP21 in 2015, a target was set to keep the global average temperature rise to "less than 2°C" above pre-industrial revolution level and, consequently, there is a strong demand being placed on society and organizations, including companies, to establish more concrete and feasible action plans. In order for Japan to maintain and advance ongoing activities moving forward, it is important that the public and private sector engage in initiatives together to achieve the targets we have been given.

Even in company evaluations by institutional investors and financial institutions considering lending, more and more emphasis is being placed on environmental issues every year, and we have come to see the indicator known as "ESG investment" (evaluating companies with consideration to the environment, society and governance) in newspapers, economic magazines, etc. In order for a company to secure its survival, it is imperative that it understands the gravity of environmental conservation and engages in ongoing initiatives to achieve this.

In 2006, JTEKT established the Global Environmental Conservation Committee chaired by our president which, based on an environment initiative plan, promotes activities aimed at achieving the targets of a 5-year plan from both the aspects of product development and manufacturing.

In May 2016, JTEKT formulated and officially announced "Environmental Challenge 2050." Under the

slogan of "For future children," this initiative is JTEKT's declaration that it will proactively engage in initiatives such as minimization of the environmental burden caused by product manufacturing and coexistence between humans and nature up until the year 2050. In order to realize our Environmental Challenge 2050, in regards to CO<sub>2</sub> emissions reductions, we need to further strengthen existing energy-saving activities at JTEKT plants and promote the development and introduction of innovative production technology. We are working towards significant process reduction through development of precision machining technology, the introduction of power regeneration and other never-before-seen innovative technologies with the goal of halving our energy consumption on production lines by the year 2030.

Moreover, in terms of products, each business unit is enhancing its efforts and constantly developing more environmentally-friendly products such as the high-output RP-EPS (rack parallel type electric power steering), the LFT bearing, which achieves low friction torque performance, and the gear skiving center, which achieves energy-saving through process integration and high-accuracy machining.

JTEKT will continue to aggressively advance the abovementioned activities to contribute to solving global environmental issues. To succeed at this, each and every JTEKT Group employee will face environmental issues with sincerity, and work in unison to realize a better future. I ask you all for your invaluable support in this endeavor.