

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.

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

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

CSR Promotion

Implementation of CSR activities in each division on a companywide basis

At JTEKT, we believe CSR is a core corporate activity from the belief that "the company is a public institution of society" 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.

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

Council for Enhancement of Corporate Value

In February 2009, JTEKT established the CSR Promotion Committee chaired by the president, which has periodically inspected the progress of CSR activities. In March 2017, this committee was renamed the "Council for Enhancement of Corporate Value". In addition to the reporting on CSR activities conducted in the past, the council has ongoing discussions regarding conversations with various stakeholders, the sharing of results of evaluations by external organizations, JTEKT's contributions toward the realization of a sustainable society, and the creation of new value.

Outline of the CSR Promotion Structure



Major ESG² Data

Unit	FY2017	FY2018	FY2019
------	--------	--------	--------

Contributing through *monozukuri*

Products [Consolidated]	Contribution to CO ₂ emissions reduction ³	Total	1,000t	761.0	816.0	830.0
Product group examples	Steering ⁴	C-EP5 Powerassist steering system	1,000t	372.0	370.0	361.6
	Bearings ⁵	Tapered roller bearings for automobiles	1,000t	111.4	115.0	108.4
R&D [Consolidated]	Total cost of R&D ⁶		Billions of yen	552	636	647
R&D [Nonconsolidated]	No. of patents pending		Incidents	543	614	611
	No. of patents acquired		Incidents	368	334	320
Quality [Nonconsolidated]	No. of visitors to quality exhibitions (Total)		People	—	9,237	10,374
Environment [Consolidated]	Prevention of global warming	CO ₂ emissions for internal production	1,000t	784	808	751
Environment [Nonconsolidated]	Prevention of global warming	CO ₂ emissions for internal production	1,000t	227	217	205
		CO ₂ emissions in production per in-house production volume	t/Billions of yen	140.3	131.1	126.3
		CO ₂ emissions in logistics	1,000t	12.8	12.2	10.7
		CO ₂ emissions in logistics per net sales	t/Billions of yen	1.99	1.82	1.65
Effective use of resources	Waste per in-house production volume	t/Billions of yen	6.78	6.20	6.26	
	Packaging usage per net sales	t/Billions of yen	0.77	0.75	0.78	
	Water usage per in-house production volume	1,000m ³ /Billions of yen	1.43	1.35	1.29	
Reduction and management of environmentally burdensome materials	Release / transfer of substances subject to PRTR		t	38	27.1	25.7
No. of environmental issues			Incidents	0	2	0

Establishment of a firm management foundation

Employees [Consolidated]	Ratio of foreigners occupying key positions in overseas locations	%	65.3	65.7	74.1	
Employees [Nonconsolidated]	Level of understanding by employees of own division's vision	%	67.1	68.0	86.3	
	Female employee percentage	%	10.3	10.8	10.3	
	Percentage of women in administrative positions	Managerial positions	%	0.92	1.07	1.20
		Assistant managers	%	4.11	4.69	5.15
	Percentage of employees with disabilities	%	2.17	2.17	2.24	
	Employees who took childcare leave	People	49	60	68	
	Employees who took family care leave	People	1	5	6	
	Percentage of vigorous and vibrant workplaces ⁷	%	55.3	21.4	18.2	
Governance [Nonconsolidated]	No. of internal reports made	Incidents	50	49	35	
Local contribution [Nonconsolidated]	No. of youth development ⁸	People	1,201	1,627	1,288	
	No. of information get-togethers with local community	Place	13	13	13	
	No. of participants in region cleanup activities	People	4,665	4,861	3,178	

*2 Acronym that stands for environmental, social and governance. Used as an indicator to determine whether or not a company can grow sustainably.

*3 Amount of CO₂ reduction in the use stage of product by environmental design. The amount calculated globally is shown in a single year. The calculation method has been partially changed since FY2016.

*4 Figure is calculated based on the number of products designed by JTEKT therefore products produced overseas are included.

*5 Nonconsolidated

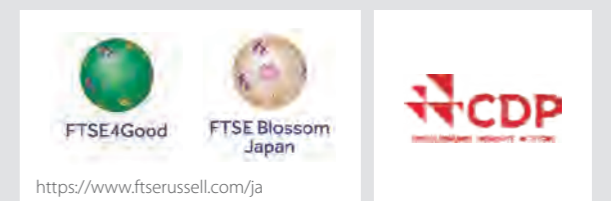
*6 R&D costs included in general administrative costs and manufacturing costs.

*7 Based on internal employee survey results

*8 Number of participants of elementary school, junior high school, and high school students

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 CDP⁹, in fiscal 2019 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.



*9 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.