

# Together With Society

## Corporate Activities Standards

## Global Conduct Guideline

## CSR Promotion

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.

### 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.

### 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

### 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.

\* 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



## JTEKT's Materiality (Important issues)

|   |  |  |
|---|--|--|
| Social challenges to be solved through business | <b>1. Contribute to safe, secure and comfort life</b> <ul style="list-style-type: none"> <li>• Turning solution for all motilities</li> <li>• Safe automation/labor-saving for various works and services</li> <li>• Life and care support for aging society</li> </ul>                                |  |
|   | <b>2. Protect the rich earth for future children</b> <ul style="list-style-type: none"> <li>• Prevention of global warming</li> <li>• Contribution to recycling society</li> <li>• Reduction of environmental impact</li> </ul>  |  |
|   | <b>3. Provide new values to manufacturing (monozukuri)</b> <ul style="list-style-type: none"> <li>• Providing key components supporting industry</li> <li>• Improvement in productivity by utilizing digital technology</li> <li>• Extending life span of machine by preventive maintenance</li> </ul> |  |
| Important issues in business structure          | <b>4. Development of organization and HR to be trusted by society and to contribute to society</b> <ul style="list-style-type: none"> <li>• Human resources development</li> <li>• Safety and health of workers</li> <li>• Governance</li> </ul>   |  |

## Materiality Determination Process

**Step.1 Identification of Issues** From among various social issues, itemize those that are relevant to the Company and its business activities.

*Items referenced*

1. SDGs\*1 (17 goals, 169 targets)

2. ESG Materiality Items

\*1 Sustainable Development Goals: International goals consisting of 17 goals and 169 targets to achieve a sustainable world, adopted at the United Nations Summit in September 2015.

**Step.2 Prioritization** Rate the materiality from both internal and external perspectives, and narrow down the list of highly rated items.

*Rating method*

1. Conduct questionnaires and discussions with relevant internal departments
2. Plot on a matrix and narrow down the highest materiality items

**Step.3 Validation of Adequacy** Reviews are conducted through the Strategic Meeting, Corporate Value Improvement Committee, etc. Adequacy is confirmed based on the opinions expressed therein.

**Step.4 Approval by Top Management** Final approval by the Board of Directors based on the results of the validation of adequacy