

## Forging Sustainable Relationships with Stakeholders

The JTEKT Group has grown into what it is today through the support of its various stakeholders. We believe the opinions and requests of such stakeholders are important references when making decisions relating to our business activities, and we are working to increase opportunities for productive dialogue.

## Employees

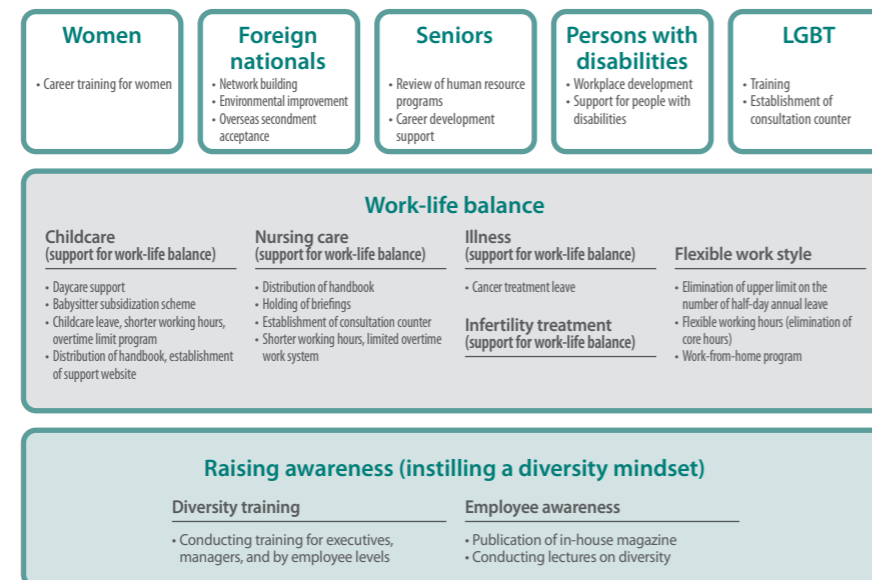
### Human resources development measures

#### Promoting diversity

We are undertaking the building of workplaces in which employees can work enthusiastically and healthily over the long term, as well as putting in place a human resources development framework that encourages every individual employee to undertake self-directed learning and helps them to achieve personal growth.

JTEKT aims to be a company that respects people with diverse values and allows them to maximize their abilities, regardless of gender, nationality, age, disability, sexual orientation, culture, marital status, or the presence or absence of spouses or children. We are also working to create a system and environment that allows employees who are balancing work with childcare and nursing care to continue building their careers.

#### Specific Examples of Diversity Initiatives



JTEKT's human resources development framework comprises the following key pillars: on-the-job training (OJT), off-the-job training (OFF-JT), and career development.

- OJT
- Training program (OFF-JT)  
Basics for members of society, basics for JTEKT, self-development and expected roles  
Selection training / thematic training (problem-solving training, etc.)  
Training in specialist fields (safety and health, environmental, quality management, technology-related, etc.)
- Succession planning  
Helping employees to build up valuable experience through carefully planned training and rotation
- Planning is underway for the utilization of talent management systems and learning management systems to build a framework for employee rotation that makes effective use of data, identify skill gaps at the level of individual employees and implement effective career planning, and realize on-demand training, etc.
- The Global Succession Committee develops and optimally allocates management personnel for the entire Group

We support the active participation of employees with disabilities by creating a comfortable work environment and assigning work to employees according to their individual disability characteristics. In addition, as society is faced with the challenge of improving the workplace retention rate for people with disabilities, we are working to improve our retention rate by inculcating a thorough understanding of the workplace and work through practical training for employees with disabilities.

## Safety and health-related initiatives


To create a safe and comfortable workplace environment

## Health-related initiatives

Promoting healthy minds and bodies for every employee

Certified as a 2021 Excellent Health Management Company

Following a revised Safety and Health Philosophy, "All accidents are definitely preventable!" all employees engage in safety and health activities and to enhance a comfortable workplace environment. In addition, a dedicated global message, "All for One in Life," expresses the safety actions of the philosophy. All JTEKT focuses on ZERO accidents.



**Safety and Health Philosophy**

JTEKT and JTEKT Group aim to create a safe and secure workplace for zero accidents in the belief that "All accidents are definitely preventable!"

**All for One in Life**

"To promote a 'Safety-minded people' and 'Safe workplace' that enables all employees to work safe and healthy."

[JTEKT Safety and Health Action Guidelines]

- We promote detailed activities with the participations of all employees.
- We understand and abide legal laws and safety rules regarding safety and health.
- We promote continuous KAIZENs towards zero accidents.

June 25, 2020  
JTEKT CORPORATION  
Companywide Safety Supervisor  
**Makoto Sano**

We aim to build a culture of safety from the perspective of people, products, and management and to prevent accidents from occurring and recurring. To realize this, we conduct repeated safety education throughout the year to raise awareness as well as education by job level, special training by job category, risk assessment training, and abnormality handling training. We are also implementing KYT basics and 4R training\* for all employees as well as hazard simulation training and other training programs.

\* KYT stands for *Kiken* (risk), *Yochi* (recognition), and Training.  
The term "4R" means "4 rounds." This is risk-recognition training through four phases.

JTEKT values the health of each and every one of its employees and as such, conducts health management activities so that employees may enjoy their daily work and go about it with vitality.

### Promoting mental health

We promote mental health measures that focus on preventing the onset of mental illnesses such as depression. In fiscal 2020, both the number of days of leave and the number of employees taking leave decreased compared to the previous fiscal year. These decreases can be attributed to a decline in workload amid the COVID-19 pandemic and the influence of teleworking.

JTEKT conducts stress checks to help employees recognize their own stress and understand the extent of their psychological burden. As a result of the systematization of stress checks from fiscal 2020, which have been improved to allow employees to take questionnaires on the web or with a smartphone, it has become easier to understand the stress status of the workplace as a whole and at each employee level. Stress check results are used to identify strengths and weaknesses in the workplace and also for workplace management. As well, we provide mental health education as part of level-based training for new managers and supervisors.

### Achieving physical health

JTEKT places importance on the prevention, early detection, and early treatment of illnesses such as lifestyle-related diseases, and proactively supports the health management of its employees.

On March 4, 2021, JTEKT was certified as an Excellent Health Management Company (White 500) in recognition of its proactive initiatives promoting the emotional and physical health of its employees.



Society

Business Partners

Promotion of fair and equal business transactions

Purchasing policy meeting

JTEKT Supplier Association

CSR Activity Items Guidelines for suppliers

Activity items that the Guidelines request suppliers comply with

We follow proper business practices and engage in fair, transparent, and free competition based on a respect for the law.

JTEKT respects its business partners and aims to develop and grow based on mutual trust. In our Corporate Activities Standards and Purchasing Philosophy, we have clearly stated our policy of practicing open and fair business regardless of nationality, company scale, and experience doing business with JTEKT. Moreover, in order to offer fair and equal opportunities to trade with us, we publicly disclose the preliminary steps to establishing trade with JTEKT on our website.

Purchasing Philosophy

**Fair and transparent business transactions** We provide open, fair, and equal opportunities to all regardless of nationality or company size, including companies with no experience doing business with JTEKT.

Purchasing Basic Policy

<b>Mutual trust</b>	Build mutual trust through close communication with business partners.
<b>Coexistence and co-prosperity</b>	Achieve harmonious relationships with business partners based on mutual trust.
<b>Long-term, stable business relationships</b>	Achieve stable procurement meeting JTEKT's quality, cost, volume, and delivery requirements through continuous business.
<b>Global purchasing</b>	Achieve optimal purchasing from a global viewpoint and improve international competitiveness through a strong supplier chain.

Since we were unable to hold the purchasing policy meeting in the same format as in previous years due to the COVID-19 pandemic, it was held via video streaming. As part of our purchasing policy for fiscal 2020, we made requests related to safety, quality, and cost competitiveness.

In addition, we presented awards to our business partners for outstanding achievements throughout the year in terms of quality, technology, VE<sup>\*1</sup> and VA<sup>\*2</sup> proposals and the environment.

\*1 Value Engineering: Engineering having a simple and robust structure  
\*2 Value Analysis: Analysis that improves profitability for products currently in mass production.

The JTEKT Supplier Association, comprising 251 business partners (as of fiscal 2020), aims to build relationships of mutual trust among council members and strengthen enterprise fundamentals, engaging in activities including quality management meetings, training sessions, safety subcommittees, lectures and a disaster mitigation study meeting to prepare for large-scale disasters. In fiscal 2020, we were not able to hold the annual meeting of all members due to the COVID-19 pandemic, so we found innovative ways to hold the meeting through video streaming.

In order to share JTEKT's approach to CSR with suppliers, we have issued a set of CSR Activity Items Guidelines for suppliers, which clarify which items we expect suppliers to comply with. Suppliers are asked to also request that their own upstream suppliers follow these Guidelines.

Furthermore, to maintain appropriate business transactions, the departments involved with suppliers comply with the guidelines for fair business transactions in each industry. We are also working to disseminate information and gather opinions at every opportunity to further improve communication with suppliers.

<b>1. Managerial measures</b>	
• Compliance	• Risk management
<b>2. Stakeholder-related measures</b>	
• Quality maintenance	• Human rights protection and respect for diversity
• Good labor relations	• Contributing to the local community
• Adherence to corporate ethics	
• Fair transactions	
<b>3. Global environment measures</b>	
• Environmental management	• Environmentally friendly business activities

Local Communities

Corporate sports and JTEKT's social contribution

Activities of female athletes

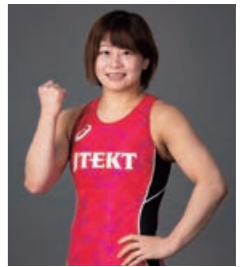
Activities of JTEKT STINGS

Volleyball classes

As a good corporate citizen, we aggressively pursue activities that contribute to society.

JTEKT actively and continuously supports athletes. At present, we have corporate teams for five sports (men's volleyball, men's badminton, men's softball, women's wrestling, and women's weightlifting), and many of our athletes are at the forefront of their fields while balancing sports and work. For JTEKT, the philosophy behind the ownership of corporate sports teams is to foster a sense of unity among employees and contribute to society. By cheering on our players as they earnestly strive to become stronger than they were before, a positive harmony is naturally created within the Company and leads to a sense of unity.

Mayu Mukaida, a member of JTEKT's women's wrestling team, won a gold medal in the 53kg category at the Tokyo Olympics following her silver finish at the 2019 World Wrestling Championships. Ms. Mukaida is a 24-year-old from Mie Prefecture who joined JTEKT in 2020. Her Olympic performance was recognized by Mie Prefecture with the Prefectural Citizens' Honor Award for giving hope to the people of the prefecture.



Mayu Mukaida



Imari Morishita

Imari Morishita, winner of the 2020 All Japan Women's Weightlifting Championships in the 87kg class, has been a member of JTEKT's Procurement Department since joining the Company in 2018, and has successfully balanced competition and corporate work. She is currently working in the Human Resources Division and striving every day to win a spot in the 2024 Olympics in Paris.

JTEKT STINGS is a long-established volleyball team founded in 1958. In 2020, the team achieved its first championship in the top V. LEAGUE DIVISION 1, followed by capturing the Emperor's Cup. In addition, the team has strong momentum with players who are active at the highest level in Japan including three who were named to the Japanese national team for fiscal 2021. Among them, Yuji Nishida, who also competed in the Tokyo Olympics, attracted attention as the new ace of the Japanese national team.



JTEKT STINGS long-awaited first Emperor's Cup championship

The JTEKT STINGS Volleyball Class has been held every year for junior and high school students in the area of our workplaces as a social contribution activity to promote volleyball and to interact with the local community. In fiscal 2020, however, we suspended the program in consideration of the COVID-19 pandemic, and instead created a volleyball training DVD, which was sent to nine junior high schools and high schools in the neighborhoods of four business sites.

JTEKT will strive to contribute to local communities and society by fostering a sense of unity in the entire Group through encouraging and supporting the athletes who are constantly challenging themselves to become No. 1.



A volleyball class held in fiscal 2019

## Society

## Contributing to local communities

## Activities to beautify local communities

## Manufacture and donation of masks made in-house

## Coexistence with nature

## All Toyota Green Wave Project

Our employees actively participate in local community beautification activities in an effort to coexist in harmony with the local community. In fiscal 2020, programs were implemented at six domestic sites, including plants, headquarters, and branch offices. Although the pandemic has made it difficult to hold events, we will continue to engage in community beautification activities at each of our locations while undertaking thorough infection prevention measures.



Since June 2020, JTEKT has been manufacturing masks in-house with the cooperation of Toyota Group companies as a countermeasure against COVID-19 and has produced a cumulative total of approximately 3.3 million masks as of August 31, 2021. In addition to distributing the masks to employees in Japan and overseas, JTEKT donated them to more than 100 locations, including local governments and medical institutions in each region. Based on our corporate philosophy, Seek to contribute to the happiness of people and the abundance of society through product manufacturing that wins the trust of society, we will continue to contribute to society from a variety of perspectives.



Examples of institutions receiving mask donations: (From left) Ome Municipal General Hospital, Hiroshima Prefectural Hospital, Hamamatsu City Social Welfare Conference

JTEKT and the JTEKT Group have business sites all over the world, both in Japan and overseas. Currently, 15 workplaces have set their own activity themes and are continuously working to expand biodiversity activities by promoting activities for coexistence with nature at each workplace and connecting these activities. We will continue to promote our activities in order to create a ripple effect.



JTEKT participates in the All Toyota Green Wave Project, which collaborates with Toyota Group companies on biodiversity conservation activities. As part of the project to conserve the nesting grounds of the little tern (an endangered species) that has been ongoing at the JTEKT Tadamisaki Plant since 2015, in cooperation with the Nishimikawa Bird Club and other organizations, we have developed a 2.7-hectare of idle land beside the plant as a nesting site for birds. In addition, we have been creating an environment conducive to nesting by installing watering places and shelters made of scrap materials. Through the All Toyota Green Wave Project, the Tadamisaki Plant is currently developing "connecting" activities with three Toyota Group companies (Toyota Industries Corporation, Toyota Motor Corporation, and Aisin Corporation) that also have plants in the Kinuura area.

We will continue to expand our efforts so that the Kinuura Port Little Tern Conservation Project can serve as a model for little tern conservation across Japan.



Little tern

## Tokushima Collaborative Forest-Building Project

Shikoku Plant

## Nature Conservation Society of Japan

## Overseas affiliate company initiatives

## Tree-planting activities

Overseas affiliate company: JSSX (China)

Promoting environmental activities  
Forestation activities

Overseas affiliate companies: JTAP and JTC (Thailand)

## Setting up a bee-friendly wildflower field

Overseas affiliate company: KBDE (Germany)

Support for local facilities  
NGO activity support

Overseas affiliate company: JBR (Brazil)

## Society

In Tokushima Prefecture, home of the Shikoku Plant, the Tokushima Collaborative Forest-Building Project has been underway since 2009 to promote the public benefit functions of forests, such as the securing of high-quality water resources and the absorption of CO<sub>2</sub>, and to pass on the rich forests of Tokushima Prefecture to future generations. Since 2011, JTEKT has been engaged in forest-building activities under a partnership agreement with Tokushima Prefecture and the



National Land Afforestation Promotion Organization. This project is a model for the implementation of a carbon offsetting scheme, in which the portion of CO<sub>2</sub> emitted by companies and households that cannot be reduced by themselves is offset by absorption through forest maintenance, such as thinning and afforestation. JTEKT received a letter of appreciation from Tokushima Prefecture for its contributions over the years.

JTEKT joined the Nature Conservation Society of Japan in 2020.

In the future, we will further enhance and expand the framework of our activities by developing an environmental education program in cooperation with the Nature Conservation Society of Japan and collaborating with member companies and groups.

JTEKT STEERING SYSTEMS (XIAMEN) CO., LTD. (JSSX) has been conducting various environmental protection activities to raise awareness of among its employees. In October 2020, all employees participated in a tree planting activity as part of the 6th Environmental Conservation Month initiative. During the activity, employees performed all the tasks such as planting, gathering soil, and watering with great attention to detail. We also planted 50 small-leaf olive trees to add some greenery to the plant environs. Tree-planting activities not only improve the environment of the plant but also help people to become more interested in environmental issues.



In November 2020, JTEKT ASIA PACIFIC CO., LTD. (JTAP) and JTEKT (THAILAND) CO., LTD. (JTC) participated in the 2020 Forestation Activity organized by Toyota Tsusho (Thailand) Co. Ltd. The Toyota Group Environmental Network (TGEN) participated in this event, with a total of about 160 members planting 1,500 trees. We are also continuing our activities with the goal of planting 10,000 trees in an area of approximately 14,400m<sup>2</sup> within five years, and are working with the local community to create an organic farm. JTAP and JTC will continue to carry out environmental activities and highlight them widely to its employees.



To support pollinators, which are in decline worldwide, KOYO BEARINGS DEUTSCHLAND GMBH (KBDE) set up a communal field on its premises to sow seeds for wildflowers and plant sunflowers that are bee-friendly. We are looking forward to seeing the flowers we planted grow and become a colorful flower garden in a few years.



On October 12, 2020, Children's Day in Brazil, JTEKT BRASIL LTDA. (JBR) collected toys from its employees that are no longer used or not used and donated them to two facilities in São José dos Pinhas, the city where the company is located. Many items were collected from employees who felt an affinity with the purpose of the event, and we received words of appreciation from the facility staff.

