

A large, stylized graphic of a wind farm. The image shows several white wind turbines on a brown, grassy hill. The sky is a vibrant blue with scattered white clouds. The graphic is shaped like a large, irregular drop, with the white background of the slide visible on the right side.

Sustainability Management

JATCO's Sustainability

A decorative graphic element consisting of a smooth, horizontal oval with a color gradient. It transitions from a light green on the left to a light blue on the right.

Introduction & Table of Contents	CEO Message	About JATCO	Sustainability Management	Environment	Business
Society	Human Capital	Business Foundation	Environmental Data for Each Production Base	Social Data	GRI Standards Reference Table

JATCO's Sustainability

Guided by our corporate purpose, “Driving the possibilities of mobility with technology and passion,” JATCO provides valuable products and services leveraging our proprietary technologies cultivated through powertrain development and manufacturing. Regarding sustainability as fundamental to business management, we believe a vital role across all business activities is to grow as a corporation, contribute to economic development, and help overcome various societal challenges. Through dialogue with stakeholders, we understand their concerns and aim to contribute to sustainable societal advancement by continuously delivering new value.

Basic Sustainability Policy

1



Overcoming of social issues

Guided by our corporate purpose, “Driving the possibilities of mobility with technology and passion,” JATCO **regards sustainability as fundamental to business management and strives to contribute to economic growth and help overcome societal issues through all business activities and other undertakings.**

2



Provision of unique value

By providing unique value through innovative technologies, JATCO contributes to societal advancement brought about by clean, safe, comfortable, yet exciting mobility.

3



Dialogue with society

In communication with all stakeholders, including customers, employees, business partners, and local communities, **JATCO seeks to realize a sustainable society.**

4



Voluntary initiatives by employees

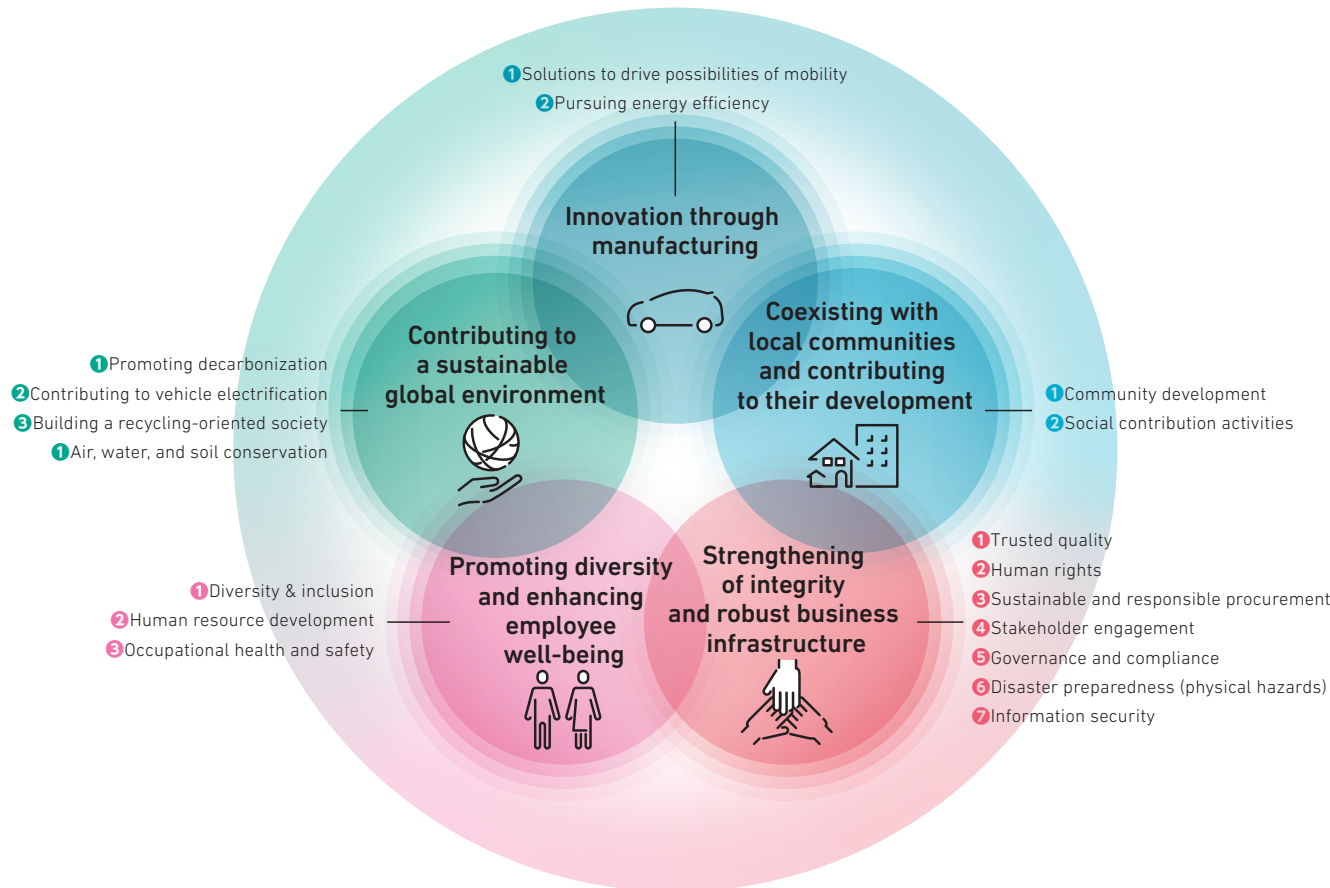
JATCO advances and raises the level of corporate sustainability activities **by ensuring every employee is aware of and voluntarily engages in sustainability.**

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JATCO's Sustainability

Materialities (key issues)

To align stakeholder concerns with the direction of our growth, JATCO has identified 18 key sustainability issues (materialities) in five categories that we should prioritize. These key issues are discussed in the executive committee and incorporated into business activities, ensuring progress on initiatives, leading to the creation of corporate value.



Materiality Identification Process

JATCO identified its materialities through the following process:

- 1 Clarify societal and environmental issues
- 2 Confirm alignment with JATCO's management issues
- 3 Prioritize materialities
- 4 Obtain agreement in the executive committee

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Materialities (key issues) and our vision

We have established a vision for each materiality aimed at the creation of medium to long-term corporate value.

Materialities (key issues)	Our vision	SDGs
Contributing to a sustainable global environment	Promoting decarbonization JATCO aims to reduce CO ₂ by 46% by 2030 (compared to 2013) and to achieve carbon neutrality across its entire value chain by 2050 through its initiatives in the four areas of entire life cycle, production, development, and environmental activities.	   
	Building a recycling-oriented society Aiming to contribute to global environmental protection and a sustainable society, JATCO will continue to provide its stakeholders with new added value in its products and services by building effective resource recycling mechanisms in a variety of processes in its business activities, such as repairing, reusing, rebuilding and recycling.	   
	Contributing to vehicle electrification JATCO will contribute to the widespread adoption of electric vehicles for the achievement of a decarbonized society by utilizing the technology it has cultivated in transmissions to provide competitive electric powertrains that help improve the product appeal of electric vehicles.	 
	Air, water, and soil conservation JATCO aims for zero impact on the environment by thoroughly managing the resources input into its production activities and the substances released externally, and by working to conserve resources and reduce its environmental impact.	   
Innovation through manufacturing	Solutions to drive possibilities of mobility With its innovative and unique technologies, JATCO pursues the possibilities of achieving clean, safe, comfortable, yet exciting products and services, and provides new value to mobility.	   
	Pursuing energy efficiency JATCO contributes to reducing CO ₂ emissions and environmental impacts throughout society by developing technologies that contribute to enhancing the energy efficiency of our products and improving the energy efficiency of vehicles overall.	   
Coexisting with local communities and contributing to their development	Community development JATCO utilizes its technologies and assets to aim for a society in which communities and companies can develop together, by being actively involved in revitalizing local communities and resolving their issues.	 
	Social contribution activities As a good corporate citizen, JATCO contributes to the resolution of social issues and a better society by having its employees actively participate in activities with the environment, society, and welfare as priority areas.	   

Materialities (key issues)	Our vision	SDGs
Promoting diversity and enhancing employee well-being	Diversity & inclusion JATCO respects the diverse values and individuality of our employees, achieves an organization in which each and every employee can thrive, and uses the new ideas that are born from this to provide new value to our customers and society. For that reason, we promote the participation of women and people with disabilities.	   
	Human resource development Based on the idea that its employees are the assets of the company, JATCO will achieve a motivated workplace where each and every employee can experience growth. It will continually provide employees with all growth opportunities so that the employees and the company can grow together.	   
	Occupational health and safety JATCO will achieve a workplace environment where employees can work safely, healthily, and energetically. Through "Absolute Safety" it will build a workplace free of disasters and fires, develop people who are strong in safety, and through "health management" work to continuously improve the physical and mental health of its employees.	
Strengthening of integrity and robust business infrastructure	Trusted quality JATCO will achieve product quality and quality management that meet customer expectations and gain the trust of our customers. Each and every employee will have a high level of quality awareness and will tackle quality as a company-wide issue.	 
	Human rights JATCO recognizes that respect for human rights is the foundation of its business activities and, as a corporation trusted by society, it respects the human rights of all of our stakeholders and complies with the applicable laws and regulations and standards. All employees share this recognition and act based on the highest ethical standards.	     
	Sustainable and responsible procurement JATCO aims to build mutual trust with its business partners to achieve sustainable growth for both parties. It will implement initiatives aimed at a business which takes into consideration the environment and society in the supply chain and the stable supply of parts and materials.	   
	Stakeholder engagement JATCO will actively engage in dialogue with major stakeholders regarding their concerns to build relationships of trust. By reflecting stakeholder feedback into its corporate activities, JATCO will achieve sustainable corporate growth and societal development.	
	Governance and compliance JATCO will conduct a disciplined and highly transparent business operation by ensuring that employees have a good grasp of our Corporate Philosophy and Code of Conduct and by maintaining and strengthening internal control based on the Basic Policy on Internal Control System. It will constantly monitor the situation in order to respond to issues and it will regularly implement education for employees.	
	Disaster preparedness (physical hazards) JATCO will construct a system for business continuity by anticipating a variety of risks that could shake the foundations of its corporate activities. It will implement regular training and implement continual issue resolution.	
	Information security JATCO will ensure that security policies are thoroughly communicated to everyone, from management to the work sites. It will identify information assets, assess risks, and implement the latest preventative security measures, so that all employees respond with a sense of responsibility to risks such as information asset leaks, etc.	

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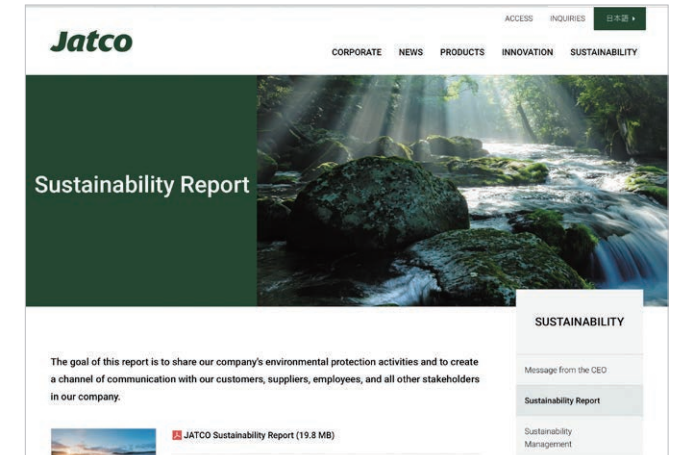
Aiming for proactive information disclosure

JATCO aims to be proactive in disclosing information about its environmental initiatives.

In order to promote widespread understanding of our activities amongst our stakeholders, we have published our Environmental Report since 2005. From 2009 onwards, we expanded the focus to include societal topics, and changed the title to the "Environmental & Social Report." From 2023, we consider sustainability to be the core of our management activities, and have revamped the structure of our Sustainability Report in order to more clearly convey information about our efforts to contribute to economic development and to resolve social issues through all of our business activities and other undertakings.



JATCO Sustainability Report



Sustainability page on JATCO's website (FY2023)

Contributing to the Achievement of the SDGs

The 2030 Agenda for Sustainable Development was adopted at the United Nations Sustainable Development Summit in September 2015. JATCO endorses the globally shared Sustainable Development Goals (SDGs) and will contribute to their achievement. In April 2022, for instance, we signed on to the SDGs Future City Initiative declaration of Fuji City, Shizuoka Prefecture, home to our head office, and are doing our part to realize the vision of Fuji as an SDGs Future City. Pages in this report describing related initiatives display the respective goal icons to indicate connections with the SDGs.

