

NTN
CSR Procurement Guidelines

January 2023
NTN Corporation

Introduction

To meet the needs of society, NTN actively seeks to respect human rights, cultivate human resources, and contribute to the regional community. NTN has a strong history of environmental activities that ensure conforming to domestic and international laws and regulations, reducing the environmental load, protecting resources, conserving biodiversity and reducing CO₂ emissions resulting from the production and transport of goods.

The NTN Group's corporate philosophy states, "We shall contribute to international society through creating new technologies and developing new products" and to achieve this goal we have established a "Basic CSR policy" and implemented CSR (Corporate Social Responsibility) activities.

Through our "Procurement Policy" (formulated from the perspective of "Fairness/impartiality", "Compliance with Laws and Regulations", "Green Procurement" and "Coexistence and Co-prosperity" for supply chain management), we promote the principles of "CSR procurement" and "Green procurement" that procure items by giving precedence to suppliers who are proactive in CSR initiatives.

Please follow these guidelines to ensure that CSR activities are strongly promoted with regards to suppliers.

NTN Corporation

Masaaki Yamamoto

Executive Officer
ESG Promotion Dept

Hideaki Miyazawa

Representative Executive Officer
Global Procurement Headquarters

Table of contents

1. Compliance

- 1-1 Legal compliance
- 1-2 Competition law compliance
- 1-3 Anti-corruption
- 1-4 Thoroughness in security export control
- 1-5 Protection of intellectual property rights
- 1-6 Elimination of anti-social forces within Japan
- 1-7 Responsible mineral procurement

2. Human rights and labor

- 2-1 Prohibition of discrimination
- 2-2 Respect human rights
- 2-3 Prohibition of child labor
- 2-4 Prohibition of forced labor
- 2-5 Appropriate wages
- 2-6 Management of labor time
- 2-7 Dialog and discussion with employees
- 2-8 Safe and model working conditions
- 2-9 Creation of an occupational safety and health organization

3. Environment

- 3-1 Environmental management system
- 3-2 Reduction of greenhouse gas emissions
- 3-3 Management and reduction of environmentally hazardous substances
- 3-4 Protection of resources
- 3-5 Initiatives to conserve biodiversity

4. Quality and safety

- 4-1 Pursuit of quality and safety
- 4-2 Quality management system

5. Information security

- 5-1 Improvement of information security
- 5-2 Appropriate management of confidential information and personal information

6. Business continuity management (BCM)

- 6-1 Documentation of business continuity plan (BCP)
- 6-2 Implementing business continuity management (BCM)

7. Social contributions

- 7-1 Contributions to society and the regional community

Outline of this guideline and its application

Shown below is a summary of matters the NTN Group would like suppliers to focus on under the "Procurement Policy" formulated from the perspective of "Fairness/impartiality", "Compliance with Laws and Regulations", "Green Procurement" and "Coexistence and Co-prosperity". We would like you to support these principles within the supply chain and inform us of your status upon NTN's request.

1. Compliance

1-1 Law compliance

We will comply with the laws of each country and region.

We will establish and implement policies, systems and plans to provide thorough compliance.

1-2 Competition law compliance

We will comply with competition laws of each country and region and not be involved in private monopolies, unreasonable trade restrictions (cartels, collusive bidding, etc.) and unfair business practices (abuse of a dominant position, etc.).

1-3 Anti-corruption

Political donations and contributions will be made based on the laws of each country and region and we will strive to create a transparent and impartial relationship with politicians, administrations, and public institutions.

1-4 Thoroughness in security export control

We will establish a clear control system and perform appropriate export procedures for the export of technology and goods regulated by the laws of each country and region.

1-5 Protection of intellectual property rights

We will protect the intellectual property rights of our company and also not illegally obtain, use or infringe on the intellectual property rights of third parties.

1-6 Elimination of anti-social forces within Japan

We will eliminate anti-social forces from among our employees and managerial personnel and be resolute in thwarting any such relationship.

1-7 Responsible mineral procurement

Mineral resources included in materials and components will be checked for any negative social impacts on human rights, the environment, etc. If a negative impact is suspected or verified to be present, we will substitute a method that does not use those conflict materials.

2. Human rights and labor

2-1 Prohibition of discrimination

We will not allow improper discrimination based on race, nationality, gender, religion, disability, age, national origin or any other reason in employment (recruitment, hiring, promotion, payment, dismissal, forced retirement, job duties, disciplinary action, etc.).

2-2 Respect human rights

We will not accept inhumane treatment, including sexual harassment, power harassment (harassment and coercive conduct using verbal abuse), etc.

2-3 Prohibition of child labor

We will not violate the obligation to protect children and will not employ children that do not meet the minimum working age of each country and region.

2-4 Prohibition of forced labor

We will ensure that all labor is voluntary and that employees can leave their job freely. We will not use forced labor.

2-5 Appropriate compensation

We will comply with the laws of each country and region concerning minimum wage, overtime, payroll deductions, piece wages and any other benefits.

2-6 Management of labor time

We will comply with the laws of each country and region concerning the determination of employee labor time (including overtime), holidays, the allowance of annual paid leave, and any other matters.

2-7 Dialog and discussion with employees

We will hold good faith dialog and discussions with employees or their legal representatives. We will recognize employees' rights to freedom of association or non-association based on the laws of each country and region.

2-8 Safe and model working conditions

We will comply with the laws and such of each country and region to create working conditions that are optimal for work and maintain the health and safety of employees in the workplace.

2-9 Creation of an occupational safety and health organization

We will create and operate a safety and health organization using an occupational safety and health management system or similar and continue to make improvements.

3. Environment

3-1 Environmental management system

We will create and operate an environmental management system and continue to make improvements to conserve the environment.

3-2 Reduction of greenhouse gas emissions

We will strive to reduce greenhouse gas emissions, including both CO₂ generated from the supply chain and emitted by the production and transport of goods.

3-3 Management and reduction of environmentally hazardous substances

We will comply with the law of each country and region while following the NTN environmentally hazardous substance control standards and also report the details of our implementation.

3-4 Protection of resources

We will endeavor to reduce the amount of water usage and waste material and to effectively use resources at each step of production and distribution, etc.

3-5 Initiatives to preserve biodiversity

We will make effort to perform nature conservation activities, cooperate with local residents and NGO groups, etc. and preserve biodiversity.

4. Quality and safety

4-1 Pursuit of quality and safety

We will comply with the law of each country and region and endeavor to maintain and improve product quality while also making adequate provision for safety.

4-2 Quality management system

We will create and operate a quality management system and continue to make improvements.

5. Information security

5-1 Improvement of information security

We will improve our information security and protect information from all threats, including theft, falsification, destruction, obstructions of use and disclosure.

5-2 Appropriate management of confidential information and personal information

We will obtain legitimately, securely manage, use within the appropriate scope and protect confidential information belonging to customers and third parties as well as personal information belonging to customers, third parties and employees at our company.

6. Business continuity management (BCM)

6-1 Documentation of business continuity plan (BCP)

In preparation for a state of emergency, we will decide on methods and procedures, etc., and document a plan to ensure that business operations can continue during times of emergency as well as under normal conditions.

6-2 Implementing business continuity management (BCM)

We will continue important operations and maintain safety even in a state of emergency by making constant effort to improve our ability to respond to crisis and our ability to recover from crises. Furthermore, we will ensure that operations resumed as soon as possible if operations are ever interrupted.

7. Social contributions

7-1 Contributions to society and the regional community

We will cooperate with the local community and with NPO and NGO groups, etc., to develop local communities and the international community and strive to contribute to society and conduct business activities that help resolve social issues.